



Report to: Cabinet Meeting – 10 December 2024

Portfolio Holder: Councillor Claire Penny, Sustainable Economic Development

Director Lead: Matt Lamb, Director - Planning & Growth

Lead Officer: Matthew Norton, Business Manager - Planning Policy & Infrastructure, Ext. 5852

Report Summary	
Type of Report	Open Report, Key Decision
Report Title	Infrastructure Funding Statement
Purpose of Report	To update Cabinet on matters set out in the 2023/24 (the reported year) Infrastructure Funding Statement (IFS) and to seek approval to consult with Parish Councils and Parish Meetings on various issues relating to the Community Infrastructure Levy (CIL) Meaningful Proportion.
Recommendations	That Cabinet: <ul style="list-style-type: none"> 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 consultation with Parish Councils and Parish Meetings on CIL meaningful proportion issues as set out in section 2 of the report.
Alternative Options Considered	None, there is a statutory requirement to publish the IFS by the end of the calendar year. It was considered whether or not consulting the Parish Council and Parish Meetings was necessary, but it is felt if the Council is formulating procedures, it would be appropriate to involve those impacted. In order for the Council to change the payment schedule consultation is required.
Reason for Recommendations	To ensure that the District Council is operating in accordance with the requirements of the Community Infrastructure Regulations. To discuss with Parish Councils and Parish Meetings various issues related to CIL meaningful proportions.

1.0 **Background**

1.1 It is a national requirement for the District Council to publish an annual Infrastructure Funding Statement (IFS) setting out the current position on developer contributions. Developer contributions are either monies secured through the Community Infrastructure Levy (CIL) (a tax on new development) or monetary contributions or onsite infrastructure provision secured through Section 106 legal agreements as part of planning applications.

1.2 For the purpose of reporting developer contributions, National Planning Policy Guidance 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)

1.3 In establishing this as a national requirement, the Ministry Housing, Communities and Local Government 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.

1.4 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 2023 to March 2024).

2.0 Proposal/Details of Options Considered

2.1 The 2024 IFS has been finalised (and is attached at **Appendix A**) and the tables below set out the headline figures for Members' attention.

Table 1: Summary of CIL income and expenditure

Description of source: Community Infrastructure Levy	£
Collected before 01/04/2024 (net of capital, admin and all meaningful proportions)	£10,007,189.72
Demand notices issued 2023/24	£329,184.22
Received 2023/24 (including surcharges)	£1,441,111.29
NSDC CIL total 31/03/2024 (net of capital, admin and all meaningful proportions)	£11,077,135.85
Expenditure (Capital)	£0
Expenditure (Administration)	£60,104.74
Meaningful proportion to Town/Parish Councils	£311,060.44
Retained after contributions	£1,069,946.11
Retained on behalf of Parish Meetings in 2023/24	£2,570.97
Retained on behalf of Parish Meetings from previous years	£10,034.46

Table 2: Summary of developer contributions income and expenditure

Description of source: Developer s106 Contributions	£
Received before the reported year, remaining unallocated	£8,019,705.76
Received 2023/24	£2,472,445.80
Agreed 2023/24	£4,522,432.28
S106 contributions held by NSDC 31/03/2024	£9,526,225.86
Allocated but not spent 2023/24	£942,867.27
Balance held for longer term maintenance obligations	£106,336.20
S106 contributions spent (including transferred to other bodies to be spent)	£958,729.02

2.2 Table 1 sets out the position in relation to Newark & Sherwood's CIL as at the 31 March 2024. A 'meaningful proportion' is set aside for Town and Parish Council and Parish Meetings with the remainder of the money retained by the District Council. This money is set aside for strategic infrastructure projects. The projects are set out at in Table 7 and 8 of the IFS. Currently the most important of these are:

- A1 Overbridge at Fernwood
- Tolney Lane Flood Alleviation Scheme

Given the scale and nature of these projects it takes a significant period of time to accumulate the necessary monies to undertake such projects. To date we have only provided funding from CIL for the provision of additional classrooms at the Joseph Whitaker School in Rainworth.

2.3 Table 2 sets out Section 106 contributions activity in Newark & Sherwood as at the 31 March 2024. These are contributions secured through legal agreements with developers to mitigate the impact of new development. As such contributions are usually secured

as projects progress and developer's hit triggers which require provision of monies. The monies are then held whilst the District Council, Nottinghamshire County Council, the NHS or Parish and Town Councils plan and deliver the projects to address the impacts of development. Therefore, at any one time the Council will be holding numerous pots of monies for different schemes and there will be a time period (generally five years) in which the monies need to be spend.

Meaningful Proportion

2.4 As set in paragraph 2.2 above an element of CIL contributions are retained for local neighbourhood where the monies were generated. This is known as the 'meaningful proportion'. Regulations set out that 15% of the CIL receipts collected from development within a given town or parish area will be passed to the relevant Town or Parish Council. Payments will be capped at £100 (indexed for inflation) per council tax dwelling per year within the Town or Parish Council area. For areas with an adopted Neighbourhood Development Plan the proportion to be passed to the Town or Parish Council is increased to 25% with no cap. In locations which have a Town or Parish Council this money is transferred to these Council's on a twice-yearly basis. In areas which have no Parish Council in line with the regulations the District Council has held the monies until such time as the relevant Parish Meeting has identified a specific project that the money can be spend on. We have not yet a situation where a meaningful proportion has been collected in Parish without a Parish Meeting.

2.5 Regulation 59c of the CIL Regulations 2010 (as amended) requires that a Town or Parish Council must use the CIL receipts passed to it to support the development of the Town/Parish area, or any part of that area, by funding:

“The provision, improvement, replacement, operation or maintenance of infrastructure; or

Anything else that is concerned with addressing the demands that development places on an area”.

This provides Town or Parish Councils with a much more flexible approach for spending their CIL receipts in comparison to the District Council. Given this flexibility Parish Councils regularly contact the District Council to discuss the appropriateness of potential CIL spend.

2.6 Parish Councils are required by Regulation 121B to prepare an annual CIL report for each financial year they receive CIL. The report must include the following;

- Total amount of CIL receipts in the financial year;
- Total CIL expenditure in the financial year;
- Details (a breakdown) of the CIL expenditure in the financial year to include:
 1. a description of the items to which CIL has been applied;
 2. the amount of CIL expenditure on each item;
 3. details of any CIL repayment notices received during the financial year to include:

- (i) the total value of CIL receipts subject to notices served to recover CIL;
- (ii) the total value of CIL receipts subject to a notice served recover CIL in any year that has not yet been repaid to Newark and Sherwood District Council.

- The report must comply with accounting and audit procedures as set out in Governance and Accountability for Smaller Authorities in England 2019 (Joint Panel on Accountability and Governance).
- This information must be published on Town/Parish website where applicable or on NSDC website.
- A copy of the Town/Parish annual report must also be sent to the Council as charging authority, ideally by 1st June but no later than 31st October following the reported year.

2.7 At present CIL reporting by Parish Councils is not consistent and the District Council does not receive an annual report from any Parish Council. It is proposed to engage with Parish Councils who have been in receipt of meaningful proportions to understand how they meet their requirements under the law and the 2019 guidance issued by the Joint Panel on Accountability and Governance.

2.8 Currently the meaningful proportions are handed out twice yearly, as required under the legislation, however the District Council can change this to once a year following consultation. A 5% administrative fee is currently calculated in line with the above every year to support the District Council's work on CIL along with the meaningful proportions. This is considered to be an unnecessary administrative burden. It is therefore proposed that the Council consult Parish and Town Council's on giving a single meaningful proportion at the end of the financial year.

2.9 When monies are received in locations without a Parish Council, we hold the monies until an appropriate project has been identified. Whilst the legislation does not specify how the Council should identify how the monies should be distributed the Council has identified the Parish Meeting as the appropriate body to spend meaningful proportions in areas without a Parish Council. The Parish Meeting will be informed of the monies and when they identify a project, we discuss the proposal with the Chair or Clerk of the meeting and agree to pay on receipt of an invoice for the completed works. Whilst officers have operated this approach since the meaningful proportion was brought in, this has never been documented in a public policy and therefore it proposed to produce one and consult Parish Meetings on the proposals.

2.10 We also have no approach for areas which don't have a Parish Meeting. So far, we have not collected monies in such areas, which tend to be smaller rural communities, but development can occur anywhere and therefore it is proposed that a procedure be developed for dealing with monies in areas without a Parish Meeting.

3.0 Implications

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

- 3.1 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

- 3.2 Infrastructure delivery is fundamental to the implementation of the Amended Core Strategy which, as a whole has been subject to appraisal against the Integrated Impact 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.
- 3.3 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.

Financial Implications (FIN24-25/5004)

- 3.4 Financial Services colleagues are a part of the Developer Contributions Officer Steering Group and therefore are able to ensure that funds from developer contributions are appropriately managed in line with the Council's financial procedures.
- 3.5 The IFS provides greater transparency for Members, service providers, developers and the community on how the Council deals with developer contributions.
- 3.6 CIL funded projects will progress from the IFS into the Council's Capital Programme in the usual way by a report to Cabinet as an when sufficient funding is available.
- 3.7 Currently there is one project included within the Capital programme, the A1 Overbridge at Fernwood with a total allocation of £5.6m between 2023/24 and 2026/27.
- 3.8 The changes to the CIL administrative fee and meaningful proportion mentioned at paragraph 2.8 will create efficiencies in managing the payments to the Town and Parishes.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Newark & Sherwood Infrastructure Funding Statement 2023/24