

Gloucester City Council

Meeting:	Cabinet	Date	9 December 2020
Subject:	Infrastructure Funding Statement (IFS) Approval for Publication		
Report Of:	Cabinet Member for Planning and Housing Strategy		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	1. Draft 'Infrastructure Funding Statement' for the City of Gloucester		
	2. Draft 'Annual CIL Rates Summary Statement' for the City of Gloucester		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To update Cabinet on the preparation of the Infrastructure Funding Statement (IFS) for 2020 including the required 'Infrastructure List'.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) the publication of the Infrastructure Funding Statement (IFS) for 2020 be approved; and
- (2) it be noted that the Annual Community Infrastructure Levy (CIL) Rates Summary Statement will be published alongside the IFS.

3.0 Background

- 3.1 All "contribution receiving authorities" are now required, under the Community Infrastructure Levy Regulations 2010 (as amended) to produce an IFS at least annually [Regulation 121A].
- 3.2 The deadline for producing the first IFS and publishing it on the Council's website is the 31st December 2020. Detailed requirements are set out in Schedule 2 to the Regulations and the Ministry of Housing, Communities and Local Government (MHCLG) requires that it is sent details of the website address where the IFS can be found.

- 3.3 Regulation 121A requires Charging Authorities to produce an IFS which, in accordance with Schedule 2, provides details of not only CIL but also S106 income and expenditure and an "Infrastructure List":
- 3.4 The CIL Report, on the previous financial year ("the reported year") must include the answers to specific questions on billed and received income, committed and spent expenditure.
- 3.5 The S106 Report, again on the same 'reported year', must include answers to specific questions on not only balances, income, allocation and expenditure of financial contributions but also non-financial contributions that have been secured, such as affordable housing.
- 3.6 The 'Infrastructure List' is "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 CIL" (other than CIL which relates to the neighbourhood portion).
- 3.7 The Council must also produce an Annual CIL Rates Summary Statement applying the Royal Institute of Chartered Surveyors (RICS) CIL index, published in November each year, to the existing Charging Schedule rates to produce indexed rates for the following calendar year. Regulation 121C(1) requires it to be published "no earlier than 2nd December and no later than 31st December".

4.0 Report Details

Infrastructure Funding Statement - CIL Report

- 4.1. Gloucester City Council and JCS partners in Cheltenham and Tewkesbury began charging CIL on planning permissions granted on or after 01 January 2019, however the first payment was made on 20 December 2019, within the reporting year.
- 4.2. CIL Receipts for the reporting year were £47,583.00 from this we deduct:
 - £2,379.15 paid towards administrative expenses;
 - £7,137.45 'Neighbourhood Fund' held by the City Council; and this leaves a balance of –£38,066.40 'Infrastructure Fund' for infrastructure required to deliver planned development, held by the City Council.
- 4.3. The CIL Report also provides details of the £533,798.80 in Demand Notices issued during the reporting year which, in line with the Council's adopted Instalments Policy, will be received over the next two years.

Infrastructure Funding Statement - S106 Report

- 4.4. At the start of April 2019 there was a balance of £716,247.23. During this year we received £1,274,321.97 and spent £266,285.47. At the end of March 2020 there was a closing balance of £1,724,283.73.
- 4.5. The S106 report also provides details of the £2,399,872.36 off-site financial contributions secured and the 36 affordable homes secured on site.

Infrastructure Funding Statement - Infrastructure List

- 4.6. In the adopted JCS IDP a number of projects were identified as critical. This was updated in 2017 and 2020 and it is those projects that have been selected for inclusion in the 'Infrastructure List.
- 4.7. The City Council and JCS partners will review this list, as a minimum, on an annual basis, alongside the preparation of their Infrastructure Funding Statement(s).

The Annual CIL Rates Summary Statement

- 4.8. The Annual CIL Rates Summary Statement (Appendix 2) is based on the RICS CIL Index, published on the 26th October ready for the 1st November.

5.0 Social Value Considerations

- 5.1 None directly, though targeting funding to the delivery of strategic infrastructure in the Infrastructure List will support planned growth in and for the City.

6.0 Environmental Implications

- 6.1 None directly, though the effective use of CIL receipts has the potential to have a positive impact on all 3 dimensions of sustainable development through the provision of infrastructure necessary to facilitate growth including environmental infrastructure.

7.0 Alternative Options Considered

- 7.1 None as the publication of the IFS and CIL rates statement are a statutory requirement.

8.0 Future Work and Conclusions

- 8.1 Completion of the Annual CIL Rates Summary Statement once CIL index released.
- 8.2 Publication of both reports on the City Council's website and notification to DHCLG in December 2020.

9.0 Financial Implications

- 9.1 None directly.
(Financial Services have been consulted in the preparation of this report.)

10.1 Legal Implications

- 10.1 The production of an IFS including a regulation 121A Infrastructure List is a statutory obligation as a result of amendments to the Community Infrastructure Levy Regulations 2010 (the Regulations) by the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019. As is the publication of the Annual CIL Rates Summary Statement.

- 10.2 Those amendments also revoked, as of 1 September 2019, Regulation 123 of the Regulations thereby removing the restrictions there had been previously, both on the pooling of monies from s106 obligations and the spending of both CIL and s106 monies on the same infrastructure.
- 10.3 The “regulation 123 infrastructure list” previously published alongside the adoption of CIL by the Council remains the Council’s infrastructure list until replaced by the regulation 121A ‘Infrastructure List’ within the IFS.

(One Legal have been consulted in the preparation of this report.)

11.0 Risk & Opportunity Management Implications

- 11.1 Failure to publish the required statements would be a breach of Regulations.
- 11.2 Though the Infrastructure List will not dictate how funds must be spent, it will set out the Council’s intentions and its publication as part of the IFS will provide clarity and transparency for communities and developers on the infrastructure that is expected to be delivered.
- 11.3 Not having a clear prioritisation of infrastructure projects may risk that CIL receipts are not targeted towards the most critical infrastructure needed to deliver development.

12.0 People Impact Assessment (PIA) and Safeguarding:

- 12.1 The reasons behind the original adoption of the Community Infrastructure Levy, by Gloucester City Council as a JCS partner authority, in October 2018, was to raise additional funding from some development to help to pay for infrastructure supporting development of the area to ensure the City grows sufficiently and sustainably. Whilst not identifying any negative impact on protected groups potential positive impacts were identified as a result of this new income stream for the City Council, in particular in relation to improvements to physical infrastructure for those with special mobility needs and for building community cohesion not only within existing communities but also between existing and new residents as a result of new development.
- 12.2 The PIA Screening Stage was completed and did not identify any potential or actual negative impacts therefore a full PIA was not required.

13.0 Community Safety Implications

- 13.1 None directly, though potential positive implications are anticipated as a result of the delivery of new infrastructure for the City.

14.0 Staffing & Trade Union Implications

- 14.1 None reported.

15.0 Background Documents: None