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## **Meeting of the Cabinet – 17<sup>th</sup> December 2020**

### **Report of the Director of Regeneration and Enterprise**

### **Infrastructure Funding Statement 2019/20**

#### **Purpose**

1. To seek Cabinet approval for the Infrastructure Funding Statement 2019/20 and the process for allocating Community Infrastructure Levy (CIL) funds.

#### **Recommendations**

2. It is recommended:–
  - That the Infrastructure Funding Statement 2019/20 be approved.
  - That 10% of CIL Capital and Revenue Infrastructure Funding (currently 80% of total CIL receipts) be reserved for large strategic projects.
  - That the revised methodology for allocating CIL funds (as set out in the Infrastructure Funding Statement) be approved.

#### **Background**

3. In September 2019 several Government reforms to CIL came into effect. This included the introduction of an annual Infrastructure Funding Statement (IFS) placing a legal requirement for councils to have an IFS in place by December 2020, for the IFS to be published on the Council's website, and for it to be updated on an annual basis.
4. The CIL Amendment Regulation removes the requirement to have a Regulation 123 List. This will be replaced by the annual IFS. Local authorities are required to set out in the IFS which infrastructure they intend to fund and detail funding sources. The IFS, which forms the subject of this Cabinet Report, will replace Dudley's Regulation 123 List.
5. The IFS is required to include as a minimum:



- The Infrastructure List – the infrastructure projects or types of infrastructure which the Council intends will be, or may be, wholly or partly funded by CIL.
  - A S106 Report setting out specific standard information on financial and non-financial income and spend details for the previous financial year (2019-2020) relating to S106 Agreements.
  - A CIL Report setting out specific standard information on income and spend details for the previous financial year (2019-2020).
  - Details of highway works to be undertaken as part of new developments through section 278 agreements.
  - In addition to the above minimum requirements, the IFS includes the Council's proposed CIL Spending Protocol.
6. The IFS for Dudley MBC, as shown in Appendix One to this report, brings together a range of information relating to approved, received, allocated and spent S106 and CIL developer contributions and section 278 agreements for the 2019/20 financial year.
  7. The IFS is a 'living' document and will be the subject of on-going update and monitoring during 2021. A further IFS for the financial year 2020/21 will be published by December 2021 and will be subsequently updated annually for the preceding financial year.
  8. When preparing the Infrastructure List to be included in the IFS, officers have assessed the projects that were included on the previous Regulation 123 List and those to be taken forward have been transferred. The List was updated in early 2020 and new schemes have been added.
  9. There are several key infrastructure projects on the Infrastructure List with funding gaps of over £1million. It is unlikely that, with the current allocation process and projected CIL receipts, there will be enough funds in the pot at any one time to allow these projects to apply for funding. It is recommended therefore that 10% is taken from the Capital and Revenue Infrastructure Funding budget (currently 80% of total CIL receipts) and kept aside until it reaches £1million – or a significant figure to be reviewed annually - to allow larger strategic infrastructure projects to apply for funding through the IFS. This will apply to all CIL receipts received following approval at Cabinet (from 1<sup>st</sup> January 2021), and will not be backdated or applied to receipts already with the Local Planning Authority.

Examples of large projects currently on the Infrastructure List include –



- Strategic highway corridor enhancements (A4101/A461);
- Improvements to pedestrian and cycle networks of the River Stour;
- Library building refurbishments;
- Town centre public realm implementation and maintenance – Halesowen, Stourbridge, Dudley & Brierley Hill.

**10.** It should be noted that inclusion of any type of infrastructure in the Infrastructure Funding Statement does not signify a commitment from the Council to deliver or fund, either in whole or in part, this type of infrastructure through CIL. The Infrastructure List as shown in the IFS has not ordered any project via preference or weighting of infrastructure.

**11.** For a project to be added to the Infrastructure List it will be required to satisfy the criteria as shown in the attached IFS (Table 10). Where a significant number of submissions are received, it may be necessary for the List to be amended to only include projects that enable significant infrastructure delivery to support the borough's growth agenda and support the strategic infrastructure requirements of the emerging Draft Black Country Plan.

**12.** Moving forward, the Council will review the Infrastructure List on an annual basis. The amount of CIL funds will be reviewed from 1 April each year and the process for updating the IFS and allocation of CIL receipts will adhere to the following five-stage process between April and December each year:

1. Invite infrastructure project submissions
2. Assessment of submitted projects for inclusion within the IFS
3. Updated IFS presented to Cabinet for approval
4. Assessment of projects within the IFS for CIL funding
5. Proposed CIL allocations presented to Cabinet for approval

### **Summary**

**13.** The IFS brings together a range of information relating to approved, received, allocated and spent S106, CIL developer contributions and s278 contributions for the 2019/20 financial year. The IFS identifies a list of infrastructure projects which the Council may deliver or fund, either in whole or in part, through CIL. The IFS and the process for assessing/identifying infrastructure projects replaces the Regulation 123 List.

**14.** The IFS will be updated on an annual basis and the process for reviewing infrastructure projects and the CIL Spending Protocol will follow a five-stage process, as is set out within Section 6 of the IFS (See Appendix One).



15. It is recommended that the Infrastructure Funding Statement 2019/20 be approved as a replacement to the Regulation 123 List.
16. It is recommended that Cabinet approve the proposal to reserve 10% of the CIL Capital and Revenue Infrastructure monies (currently 80% of total CIL receipts) received from 1<sup>st</sup> January 2020, until it reaches a significant amount to fund towards large strategic projects.
17. That the revised methodology for allocating CIL funds (as set out in the Infrastructure Funding Statement) be approved.

### **Finance**

18. This report relates to decision making on infrastructure requirements on planning applications and the spending of CIL receipts. The adoption of the IFS on an annual basis provides a transparent approach to make such financial decisions relating to infrastructure. The IFS provides a transparent approach to the reporting of a range of information relating to the approval, receipt, allocation and spend of S106 and CIL developer contributions.
19. The adoption of the IFS will not affect in any way the relevant CIL allocations to the Neighbourhood Funding element of CIL or the use of the 5% CIL administration fee by the Council.

### **Law**

20. The Council needs to ensure that robust and transparent mechanisms and procedures are in place to inform planning decisions on developer contributions and on the spend of CIL monies. The IFS brings together in one place information on approved, received, allocated and spent developer contributions. CIL Regulations require Councils to update their IFS on an annual basis, by December, for the preceding financial year. (Community Infrastructure Levy (Amendment) (England) (no 2) Regulations 2109/1103).

### **Equality Impact**

21. The proposals considered the Council's Policy on Equality and Diversity and no issues have been identified.

### **Human Resources and Organisational Development**

22. It is considered that there are no additional human resources or organisational development implications resulting from the IFS or the proposed methodology for allocating Community Infrastructure Levy funds.



## **Commercial / Procurement**

23. There are not considered to be any commercial or procurement implications as a result of this report. Any procurement activity resulting from the recommendations set out in the report will be governed by the Councils Contract Standing Orders and the Procurement Management Group (PMG) as applicable.

## **Health, Wellbeing and Safety**

24. Schemes that may be brought forward as a result of infrastructure requirements are likely to have a positive impact on the health, wellbeing and safety of the local communities, by providing improvements to community infrastructure across the Borough. This change is considered to contribute successfully to the aims and objectives of the Council Plan and Dudley Vision.

*Helen Martin*

**Helen Martin**

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List of Background Papers – none  
Appendix 1: Infrastructure Funding Statement December 2020

