

Brighton & Hove City Council

Tourism, Equalities, Communities
and Culture Committee

Agenda Item 38

Subject: Developer Contributions – Infrastructure Funding
Statement 2021/22

Date of meeting: 3 November 2022

Report of: Executive Director, Economy, Environment & Culture

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Ward(s) affected: All

For general release

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report is for information and seeks agreement to publish the Council's annual 2021/22 Infrastructure Funding Statement (IFS) by the end of December 2022 as required by Government regulations.
- 1.2 The Infrastructure Funding Statement sets out the Community Infrastructure Levy (CIL) and Section 106 money, secured via the planning process to mitigate the impact of development, that has been secured, received, spent and balances for the previous financial year (April 2021 - March 2022).

2. RECOMMENDATIONS:

- 2.1 That Committee notes the annual Brighton & Hove City Council 2021/22 Infrastructure Funding Statement (IFS), attached in Appendix 1.
- 2.2 That Committee agrees for the Head of Planning to publish the updated 2021/22 annual IFS statement on the BHCC website, subject to any minor alterations (numerical, grammatical and spelling) to be agreed by the Head of Planning in consultation of the Joint Chairs of TECC Committee.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Changes to Community Infrastructure Levy (CIL) regulations, in September 2019, required the publication of an Infrastructure Funding Statement, every December, reporting on the previous financial year.

- 3.2 CIL Regulation 121A states that “no later than 31st December each calendar year a Contribution Receiving Authority (CRA) must publish a document which comprises the following:
- 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);
 - A report about CIL in relation to the previous financial year;
 - A report about Section 106 planning obligations in relation to the reported year”
- 3.3 The first annual IFS was produced in 2020 and has been published annually on the city council’s website.
- 3.4 The IFS includes all developer contributions from both s106 obligations together with CIL receipts secured, received, spent and held from new developments. It includes appendices which provide detail on the planning applications from which the contributions are secured and received (appendices I and II); and appendix III sets out the projects on which the contributions have been spent (by type of contribution).
- 3.5 Appendix 2 to this report sets out the regulations relating to securing CIL and S106 developer contributions; and governance/arrangements for spend.
- 3.6 **Developer contributions financial contributions**
The obligations, receipts, expenditure and balances for S.106 and CIL contributions in 2021/22 are summarised by category in the table in 3.10 below.
- 3.7 Section 106 overview
The amount of s106 monies received by the council in 2021/22 has increased slightly from the previous year to £5m. This is still high and reflects the ongoing high level of major development being implemented (which was granted prior to CIL implementation). Section 106 amounts secured in 2021/22 are, however, falling and this reflects the slowing of s106 obligations following the introduction of CIL as the main type of developer contribution. For the year 2022/23 it is expected that receipt of s106 payments will continue to be relatively high due to outstanding phased payments that are still due from a number of previous years major developments currently under construction.
- 3.8 The s106 monies held April 2022 stood at £23.5m. This significant sum is, again, largely a consequence of the implementation of the surge in major planning applications determined in the run up to the start of CIL in October 2020. For example, only half this sum (£12m) was held in 2018/19. In terms of spend:
- it can be challenging to spend multiple small pots of s106 contributions on projects and the pots need to be built up;

- efforts are underway to improve the spend levels, such as employing project managers to do this in City Parks (permitted by 2019 Regns); and
- where the monies contribute to existing capital projects, spend will need to fit with the project programmes and held pending implementation.

3.9 CIL Overview

CIL Regulations (2019 Amendment) Regulation 121A requires the council to publish 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.

- 3.10 Whilst the CIL income for the period required under this IFS is relatively low at £378,491.00, it should be noted that at the current rate of CIL liable planning permissions, there is a potential to reach collected CIL income of circa £1,500,000 - by summer of 2023. Of course, it should be noted that this a projected potential CIL income based on the rate and amount of actual CIL income in the given period of this IFS. CIL income is reliant on and only achievable to collect upon the commencement of CIL liable planning permissions.
- 3.11 Whilst the majority of the CIL income shown in Appendix 1 below is based mainly on the commencement of smaller threshold developments. In the event that larger, and even strategic planning permissions such as the Toads Hole Valley site, are permitted and commenced within the time period of 2022/2023, the city council as CIL charging authority could secure actual CIL income significantly higher than the potential £1.5m for identified infrastructure projects (in the Infrastructure Delivery Plan - IDP), as set out above.
- 3.12 Summary Developer Contribution – financial contributions 2021/22 (full details in Appendix 1). The obligations, receipts, expenditure and balances for S.106 and CIL contributions for 2021/22 are summarised by category in the table below. Full details with tables are in the accompanying Appendix 1.

Appendix 1 – Developer Contributions Financial Contributions 2021/22				
s106 Obligation Category	New Contributions Secured	Contributions Paid	Contributions Spent	Contributions Held
Affordable Housing (Commuted Sums)	£ 135,750	£ 401,153	£ 264,232	£ 5,047,900
Community				£ 114,737
Digital				£ -
Economic Development (Local Employment)	£ 166,760	£ 611,795	£ 292,164	£ 1,532,310
Education		£ 1,044,757	£ 657,582	£ 3,849,345
Flood / Water				£ -
Green Infrastructure / Public Realm (inc SUDS)	£ 7,930.00	£ 7,930	£ 75,000	£ 385,612
Health				£ -
Monitoring	£ 19,131.00	£ 3,953.00		£ 3,953
(Recreation) Open Space / Leisure		£ 2,244,082	£ 998,404	£ 8,685,054
Artistic Component			£ 19,622	£ 109,938
Sustainable Transport		£ 712,045	£ 506,626	£ 3,845,720
Total 2021/22	£ 329,571	£ 5,025,715	£ 2,813,630	£ 23,574,569
Community Infrastructure Levy (CIL)	Value of Demand Notices Issued	CIL Collected	CIL Expenditure	CIL Receipts Held
2021/22 Reporting Year	£ 894,822.33	£ 378,491.63	£ -	£ 386,181.04

and set out the CIL and S.106 financial contributions secured, received, spent and held in the last financial year 2021/22 together with the s106 Agreement details of the individual development schemes providing those contributions.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The report updates and provides information on developer contributions secured through the planning application process.
- 4.2 Not publishing the Brighton & Hove City Council IFS 2021/22 in would mean the city council was in contravention of the Community Infrastructure Regulations 2010 (as amended).

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Consultation has not been undertaken and is not required for the Infrastructure Funding Statement which carries technical information. However, securing developer contributions is in accordance with the policies in City Plan Part One that was adopted following extensive public consultation. There was also consultation undertaken in relation to adopting a CIL Charging Schedule.

6. CONCLUSION

- 6.1 The Infrastructure Funding Statement provides a comprehensive overview of CIL and S.106 income and expenditure for 2021/22 financial year. The appendices, which accompany the IFS, provide further detail to

show how each planning permission in the city has provided funding for specific infrastructure projects. This includes financial contributions as well as non-monetary provision (including affordable housing and public realm). It is therefore recommended for noting and publication in accordance with the CIL Regulations.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

There are no direct financial implications from the recommendations of this report. The administrative costs of managing and monitoring both Section 106 planning obligations and the Community Infrastructure Levy (CIL) are funded from the levy (CIL) or contained within existing service revenue budgets (Section 106). Developer contributions are a source of funding for the provision of infrastructure within the city.

Finance Officer Consulted: John Lack

Date: 11/10/22

7.1 Legal Implications:

The legislative background to the report's recommendations is set out in the body of the report

Lawyer Consulted: Alison Gatherer

Date: 11/10/22

Equalities Implications:

7.2 Developer contributions provide benefits through supporting infrastructure and facilities upgrades for residents and visitors to the city with the timely and effective provision of for example, affordable housing, local employment training opportunities, recreation space, improved pedestrian transportation and education facilities.

Sustainability Implications:

7.3 Sustainable development is a key priority to the council and developer contributions assist in ensuring necessary obligations are secured towards appropriate enabling infrastructure for instance to help provide meeting long-term blue and green infrastructure measures and objectives and biodiversity targets for the city.

7.4 Public Health Implications:

Developer contributions contribute to the creation of healthy communities for example recreation and open space provision for the wellbeing of physical and mental health.

Corporate / Citywide Implications:

The provision of new infrastructure secured through developer contributions supports the corporate objectives and particularly in respect of sustainable transport upgrades and blue and green infrastructure objectives this supports the council's commitment to become carbon neutral by 2030.

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1 – Infrastructure Funding Statement 2021/22
2. Appendix 2 -_Background note for TECC Committee Members re Community Infrastructure Levy (CIL) and S106

Background Documents

1. City Plan Parts 1 and 2
2. Adopted Community Infrastructure Charging Schedule
3. Community Infrastructure Regulations 2010 (as amended)