

REPORT TO EXECUTIVE

Date of Meeting: 1 October 2024

Report of: The Strategic Director for Place

Title: Annual Infrastructure Funding Statement 2023 - 2024

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 This report brings the Annual Infrastructure Funding Statement for 2023 - 2024 to the attention of Members for information. The statement sets out retrospective information relating to funding secured, received, committed, and spent from the Community Infrastructure Levy (CIL) and well as Section 106 monies. It also includes an Infrastructure List identifying a series of projects which could benefit from Community Infrastructure Funding. It does not however provide financial commitments to any project set out in the Statement.

2. Recommendations:

2.1 That the Executive notes the content of the Annual Infrastructure Statement for 2023 - 2024 prior to its publication.

3. Reasons for the recommendation:

3.1 The Community Infrastructure Levy Regulations, as amended in 2019, require Councils to publish an Annual Infrastructure Funding Statement including information about CIL and Section 106 funding and infrastructure projects which could be funded from CIL.

3.2 The 2023 – 2024 Infrastructure Funding Statement includes factual information regarding CIL and Section 106 obligations and identifies potential infrastructure projects without making financial commitments. On this basis, the Infrastructure Funding Statement is approved under the scheme of delegation by the Strategic Director for Place with agreement from the Leader of the Council and the Portfolio Holder for City Development. The Statement will be made available on the City Council's website and is attached to this report at Appendix A.

3.3 This report provides a summary of the key content of the 2023 - 2024 Infrastructure Funding Statement and provides Members with an opportunity to discuss the information it contains.

4. What are the resource implications including non-financial resources?

4.1 The 2023 - 2024 Annual Infrastructure Funding Statement (covering financial year 2023/24) sets out factual information regarding CIL and Section 106 receipts and expenditure. It also includes an 'Infrastructure List' of projects which could benefit from CIL funding in future. It should be noted that decisions on the non-neighbourhood element of CIL spend (the larger projects) will continue to be made through Executive and Full Council. On this basis, the Statement does not make commitments over future CIL expenditure.

4.2 In terms of financial implications, since the CIL was implemented in 2013 it has provided over £31m. This income is delivered through the planning process and is a major contributor to delivering the City Council's Corporate Plan and Medium-Term Financial Plan. The funding from CIL receipts will not be sufficient to pay for all the infrastructure Exeter needs to support housing growth and placemaking.

4.3 In theory CIL empowers local authorities to secure the necessary funding for the infrastructure supporting growth and sustainable development in their locality. However, it is not a consistent funding source for infrastructure. Receipts will be affected by a number of factors which are difficult to forecast. In addition, the revised Charging Schedule has amended CIL charges. This, alongside a change in development strategy to focus on brownfield sites, could affect future CIL receipts.

5. Section 151 Officer comments:

5.1 There are no specific financial implications contained within this report for Council to consider. Any allocation of CIL funding to support any of the projects identified in the 'Infrastructure List' would require Council approval either through a dedicated report or via an amendment or addition to the Council's Capital Programme.

6. What are the legal aspects?

6.1 The preparation and publication each year of an Annual Infrastructure Funding Statement is a requirement of the Community Infrastructure Levy Regulations 2010 (as amended).

6.2 Regulation 121A states amongst other things that no later than 31st December in each calendar year a Charging Authority must publish a document which comprises the following: (a) 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, (b) a report about CIL, in relation to the previous financial year, which includes a break-down of CIL receipts and expenditure as well as (c) a report about planning (section 106) obligations, in relation to the reported year, which includes planning obligations spent and received.

The publication of the Annual Infrastructure Statement for 2023-2024 is intended to meet the requirements set out in Regulation 121A and sets out factual information regarding CIL and section 106 obligations, as well as identifying potential infrastructure projects which could be wholly or partly funded by CIL without making binding financial commitments.

7. Monitoring Officer's comments:

7.1 The Infrastructure Funding Statement will enable Members to consider projects in a planned and structured way where competing interest/priorities can be evaluated.

8. Report details:

Community Infrastructure Levy report

8.1 The Annual Infrastructure Funding Statement includes a report (section of the Statement) which provides financial information regarding the amount of CIL secured, received, and committed in 2023/24, together with CIL expenditure.

8.2 Some of the key details are summarised below:

- Total CIL received at the end of March 2023 (since first implemented): £31.68m
- Total CIL spent on infrastructure projects (since first implemented): £14.22m
- Total CIL committed to infrastructure projects at the end of 2023/24: £9.57m
- Total value of CIL receipts for 2023/24: £4.75m
- Total value of CIL expenditure for 2023/24: £1.28m

8.3 The CIL expenditure in 2023/24 was on the following projects:

Project	£
Neighbourhood CIL	553,223
Play Area Capital Expenditure	175,086
Habitat Mitigation	167,672
Infrastructure Maintenance	160,000
Administration	156,270
St Thomas Splash Pad	41,475
Northbrook Wild Arboretum	16,096
MRF	13,500
TOTAL	1.283m

8.4 While CIL can provide a significant source of funding, there are several reasons why it should not be relied upon as a primary or consistent income source for local authorities.

8.5 CIL income depends on the level of development activity in the area, which can fluctuate due to economic conditions, changes in the housing market, or shifts in planning policy and/or Charging Schedule. As receipts are tied to new developments, they are contingent on the approval and completion of projects. Any delays or reductions in development activity can lead to a significant drop in CIL income.

Section 106 report (planning obligations)

8.6 The Annual Infrastructure Funding Statement includes a report which provides financial information regarding the planning obligations secured through the Section 106 process, together with monies received, committed, and spent on specific projects.

8.7 Some of the key details are summarised below:

- The total funding to be provided under planning obligations which were entered into in 2023/24: £861,870.06.
- The total funding under planning obligations which was received during 2023/24: £1,058,668.6.
- The total number of affordable homes secured by Section 106 Agreements signed in 2023/24: 24
- The total funding from planning obligations which was spent by the authority in 2023/24: £2,477,596.29

8.8 The Section 106 expenditure was on the following projects:

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| • Affordable housing: | £2,419,094.99 |
| • Community Facilities: | £1,250.00 |
| • Commuted sums-infrastructure maintenance: | £57,251.30 |

Infrastructure list

8.9 Finally, the Annual Infrastructure Funding Statement identifies a series of infrastructure projects which, in future, could be funded wholly, or in part, by the Community Infrastructure Levy. This is the 'Infrastructure List'. Due to the uncertain nature of future CIL receipts, this list should be regarded as a statement of the direction of travel, identifying the type of projects which could be funded through CIL. It does not identify specific funding commitments or allocate CIL to particular projects. It should also be noted that there will not be sufficient CIL funding to cover all projects on the list.

8.10 The Infrastructure List details a range of projects relating to strategic priorities set out in the Corporate Plan and includes schemes which will support development within the Liveable Exeter initiative and Exeter Plan, green infrastructure, net zero ambitions, cultural projects, environmental enhancement, community infrastructure and key maintenance. The list is not exhaustive.

8.11 Further projects would be funded from the neighbourhood proportion of CIL which is a slice of receipts for community projects. This funding is considered through the Grants Programme and the Exeter Grants Panel.

Future work

8.12 As set out above, there is a statutory requirement to produce an Infrastructure Funding Statement annually to cover the associated financial year. This statement covers 2023/24. Further work is required on a Community Infrastructure Levy funding programme setting out key financial commitments to future infrastructure projects.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The Infrastructure List within the Annual Infrastructure Funding Statement includes a series of projects which, if funded, could support all five of the key priorities in the Corporate Plan:

- Prosperous local economy
- Healthy and active city
- Housing and building great neighbourhoods and communities
- Net zero carbon city
- Thriving culture and heritage

10. What risks are there and how can they be reduced?

10.1 The Annual Infrastructure Funding Statement provides factual information regarding the Community Infrastructure Levy, planning obligations and sets out projects which could be funded from CIL receipts. It does not make formal financial commitments. The Infrastructure Funding Statement is also subject to annual review which mitigates any residual risks. There are therefore no specific risks to consider.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- Eliminate discrimination, harassment, victimisation, and any other prohibited conduct;
- Advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- Foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies, and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage, and civil partnership status in coming to a decision.

11.4 In recommending that Executive notes the content of the 2023/24 Annual Infrastructure Funding Statement no potential negative impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Members' attention.

12. Carbon Footprint (environmental) Implications:

12.1. There are no direct carbon/environmental impacts arising from the recommendation to note the content of the 2023/24 Annual Infrastructure Funding Statement as the document does not set Council policy nor make financial commitments. The Infrastructure List within the Infrastructure Funding Statement does however specifically set out the potential for using CIL monies to support net zero carbon infrastructure (subject to formal agreement through separate processes).

13. Are there any other options?

13.1. The preparation of an Annual Infrastructure Funding Statement is a statutory requirement. There are no appropriate alternatives to noting the content of the document.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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