

REPORT TO EXECUTIVE

Date of Meeting: 6 October 2020

REPORT TO COUNCIL

Date of Meeting: 20 October 2020

Report of: Director City Development, Housing & Supporting People

Title: Exeter City Council Annual Infrastructure Funding Statement

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1 The report seeks approval for the publication of an Infrastructure List, as part of an Annual Infrastructure Funding Statement (AIFS), which will include other, purely factual, information about CIL and Section 106. Government regulations dictate that the AIFS must be published by 31 December 2020.

2. Recommendations:

- 2.1 It is recommended that:
- (a) the Infrastructure List attached to this report as Appendix 1 is approved for publication along with other requisite information in the Annual Infrastructure Funding Statement; and,
 - (b) the report on this agenda on the Review of the Scheme of Delegation is noted in respect of proposed delegated arrangements for the future review and publication of the Annual Infrastructure Funding Statement.

3. Reasons for the recommendation:

- 3.1 Government regulations require local authorities to publish an Annual Infrastructure Funding Statement, including an Infrastructure List.

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

- 4.1 The production of the AIFS can be managed within existing resources, although it is considered to be practical and necessary to delegate future responsibility for the review and publication of the AIFS to the City Development Service Lead in consultation with the Leader and Executive Member with Relevant Portfolio, so that the AIFS does not need to be brought to Executive and Full Council for approval each year.
- 4.2 Whilst the AIFS sets out future infrastructure and affordable housing spending intentions and priorities, it should be noted that decisions on the non-neighbourhood element of CIL spend will continue to be made through Executive and Full Council. Section 106

contributions and spend will continue to be determined through existing planning and corporate processes.

5. Section 151 Officer comments:

- 5.1 Whilst the report itself contains no financial implications for Council to consider, CIL provides an essential funding opportunity for the Council's capital programme ambitions. Given the financial position of the Council, it is essential that all future new asset requirements are properly reflected in the list to ensure that the Council can deliver without damaging the revenue position of the Council.

6. What are the legal aspects?

- 6.1 None identified

7. Monitoring Officer's comments:

- 7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

- 8.1 Government regulations, specifically regulation 121A in the Community Infrastructure Levy Regulations (as amended – most recently on 1 September 2019), require local authorities to publish an Annual Infrastructure Funding Statement (AIFS), including an Infrastructure List. They specify that the AIFS must include 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 (other than CIL to which regulation 59E or 59F applies) ("the infrastructure list");*
 - (b) *a report about CIL, in relation to the previous financial year ("the reported year"), which includes the matters specified in paragraph 1 of Schedule 2 ("CIL report");*
 - (c) *a report about planning obligations, in relation to the reported year, which includes the matters specified in paragraph 3 of Schedule 2 and may include the matters specified in paragraph 4 of that Schedule ("section 106 report").*
- 8.2 CIL regulation 59 specifies that: *"A charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area."*
- 8.3 The first Annual Infrastructure Funding Statement must be published by 31st December 2020. The information to be included in the CIL Report and Section 106 Reports, which are to form part of the AIFS, is purely factual, and will include, for example, the total amount of CIL and S106 received in the reported year, and information on what the receipts were spent on. Along with the Infrastructure List attached at Appendix 1, this information will be assembled in time for the publication of the AIFS on 31st December 2020.
- 8.4 Government CIL Guidance, which complements and sits alongside the CIL regulations, advises that: *"The infrastructure funding statement should set out future spending priorities on infrastructure and affordable housing in line with up-to-date or emerging plan policies. This should provide clarity and transparency for communities and developers on the infrastructure and affordable housing that is expected to be delivered."*

Infrastructure funding statements should set out the infrastructure projects or types of infrastructure that the authority intends to fund, either wholly or partly, by the levy or planning obligations. This will not dictate how funds must be spent but will set out the local authority's intentions.

This should be in the form of a written narrative that demonstrates how developer contributions will be used to deliver relevant strategic policies in the plan, including any infrastructure projects or types of infrastructure that will be delivered, when, and where.”

8.5 In this context, the Infrastructure List at Appendix 1 should be seen as a statement of intent rather than an articulation of commitments.

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

9.1 The Infrastructure List attached as Appendix 1 to this report contributes to the Council's Corporate Plan in that it identifies spending intentions in respect of infrastructure necessary to deliver on the three strategic programmes that address the current major challenges facing the city, i.e.

- Tackling congestion and accessibility
- Promoting active and healthy lifestyles
- Building great neighbourhoods

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

10.1 There is a risk that developers might find ways to exploit the Council's lack of preparedness if the Council were to have no Annual Infrastructure Funding Statement (including Infrastructure List) in place by 31st December 2020. This might be particularly problematic in planning appeal scenarios, although the implications of not having an AIFS in place are not clear at this point in time. Putting an AIFS in place is considered to be a judicious course of action to reduce potential risks.

11. Equality Act 2010 (The Act)

11.1 Whilst Council spending on infrastructure has the potential to impact (positively or negatively) on people with protected characteristics as determined by the Act, in respect, for example, of addressing disadvantage, the Infrastructure List that forms part of the AIFS does not dictate how funds will be spent and therefore does not commit the Council to financial expenditure, (see sections 4 and 8 of this report above for further explanation), and consequently no such impacts are foreseen at this point in time. The Council's responsibilities under the Act will be revisited when such financial commitments are made. An Equalities Impact Assessment is attached to this report as Appendix.

12. Carbon Footprint (Environmental) Implications:

12.1 Council expenditure of CIL and S106 has potential carbon footprint implications. The Infrastructure List attached at Appendix 1 takes climate footprint concerns into full consideration, highlighting in particular the potential and intention to spend CIL receipts on net zero carbon infrastructure across any or all of the Liveable Exeter sites.

13. Are there any other options?

13.1 The requirement to publish an Annual Infrastructure Funding Statement, including an Infrastructure List, is a requirement laid down in Government regulations. In this sense, there is no other option but to publish such a Statement.

Bindu Arjoon - Director City Development, Housing & Supporting People

Author: Peter Hearn, Principal Project Manager, Strategic Infrastructure Planning

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

Background papers used in compiling this report:-

- CIL Regulations 2010, as amended (most recently on 1 September 2019)
- MHCLG CIL Guidance, as updated (last updated on 1 September 2019)

Contact for enquires:
Democratic Services (Committees)
Room 4.36
01392 265275