

## **Recommendation(s)**

1. Comment on the Annual Infrastructure Funding Statement attached as Appendix 2 and provide suggestions for improvement for future Statements.

### **1. Executive Summary**

- 1.1 The purpose of this report is to give the Committee the opportunity to see information required to be published by the County Council under Regulation 121A of the Community Infrastructure Levy Regulations 2010 and to provide feedback on how that information might be supplemented or enhanced. Regulation 121A requires any Local Authority in receipt of developer contributions to publish specified Section 106 and Community Infrastructure Levy (CIL) data for the previous financial year. The Annual Infrastructure Funding Statement (AIFS) must be published online by 31st December 2021. There has been no change to the legislation since last year's statement and no further guidance has been issued.
- 1.2 The Community Infrastructure Levy Regulations were amended in September 2019 to increase local authorities' reporting obligations on their income from developers. The reporting requirements aim to 'help to further increase transparency and accountability and improve the quality of data available. Infrastructure funding statements can be a useful tool for wider engagement, for example with infrastructure providers.' Likely users include housing developers, community organisations and public sector bodies. Appendix 1 sets out what is Regulation 121A requires to be included in the AIFS.
- 1.3 WCC is not a CIL-collecting authority, so is therefore not required to produce a full CIL Report as laid out in the amended regulations; instead WCC will provide more limited information on any CIL passed on by District and Borough Councils. 2020/21 was the first year in which the County Council received CIL and this amounted only £50,000 received for the Bath Street scheme in Leamington.
- 1.4 WCC does collect developer contributions via Section 106 so is required to report detail on S106 funding. In short, the Council is required to report on S106 income received and spent as well as the amount of funding held at the 31<sup>st</sup> March each year. This is a much more substantial amount of income: in 2020/21 the County Council held a little over £52m in Section 106 receipts.

- 1.5 Last year's statement and the approach taken was endorsed by Cabinet and considered by Overview and Scrutiny and the same approach is being recommended this year. Taking on board the recommendations from last year our S106 monitoring processes have been updated however there remain some issues identifying older funds which are being resolved which will allow us to publish more detail in future Statements.
- 1.6 The draft AIFS was considered by Corporate Board on 20<sup>th</sup> October 2021 and is due to go to Cabinet on 7<sup>th</sup> December 2021.
- 1.7 The S106 master spreadsheet is the primary source of S106 data from signing of the agreement to the spend and meeting national reporting requirements. It reflects the ledger in terms of financial data whilst providing more detailed data to respond to queries and ensure pro-active monitoring of S106 income and spend. This provides an overview of S106 funding which informs strategic infrastructure decisions
- 1.8 We have used the learning from the publication of this year's report to inform changes to our S106 monitoring processes which have a particular focus on ensuring accurate and up to date information on S106 spend and to reduce the resource required to produce the report in future years.

## **2. Financial Implications**

- 2.1 None

## **3. Environmental Implications**

- 3.1 None

## **4. Supporting Information**

- 4.1 The County Council's future funding and investment plans are best publicised within the medium-term financial strategy, annual budget and capital strategy, all of which are to be approved by full Council soon after the publication of the AIFS in the annual democratic cycle. The approach taken in the AIFS was therefore to signpost readers to these other documents.
- 4.2 The infrastructure categories (highways, community facilities etc) are those suggested by the national guidance, and there was a degree of interpretation required to fit our projects in to these categories and it is expected that these will be broken down into more detailed categories in the future.

- 4.3 Section 106 agreements are negotiated in such a way that allows WCC the flexibility to provide the infrastructure when it is required and that allows for the long timescales often associated with significant infrastructure projects. Payment schedules however are based on developer milestones or trigger points; this can mean that balances build up for large projects. Often it is within WCC's interests to hold S106 funding to ensure that infrastructure is delivered at the right time and to ensure capital spending is approved by Cabinet.
- 4.4 The level of spend of Section 106 contributions therefore varies year on year, depending on both the scale of our spend on infrastructure projects and fluctuations in the rate of actual developer build-out across the County; we have seen an increase in planning applications and house building in recent years and would expect to see this reflected in increased spend in future years but also potentially an increase in held balances at any given snapshot in time.
- 4.5 As referenced in last year's report, the team is working to provide the following in future years:
- Developer agreement listing – a list of extant developer agreements, cross-referenced to planning applications
  - Developer contributions – a list of obligations within the above agreements and their intended infrastructure type
  - In-year transactions – a complete list of transactions during the year in relation to s106 obligations and funds
  - Full-year reconciliation – a summary version of the above documents that will allow readers a simple view of the overall movements on s106 contributions
- 4.6 It has not been possible to provide greater detail in this year's report due to complexities in the S106 monitoring system, work is ongoing with finance to resolve these issues in order to provide such detail in future reports.
- 4.7 The committee is asked to comment on the Annual Infrastructure Funding Statement attached as Appendix 2 and provide suggestions for improvement for future Statements.

## **5. Timescales associated with the decision and next steps**

- 5.1 The AIFS is due to be considered by Cabinet on 7<sup>th</sup> December 2021
- 5.2 The AIFS will be published on the WCC website prior to 31<sup>st</sup> December 2021.

## **Appendices**

1. Appendix 1 – Annual Infrastructure Funding Statement Requirements
2. Appendix 2 – Annual Infrastructure Funding Statement 2020/21

## Background Papers

1. None

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: None