

Communities Overview and Scrutiny Committee

10 April 2024

Annual Infrastructure Funding Statement Narrative Report 2022/23

Recommendation(s)

That the Communities Overview and Scrutiny Committee notes and comments on the Annual Infrastructure Funding Statement (AIFS) 2022/23 at Appendix 1 and this accompanying narrative report.

1. Executive Summary

- 1.1 The AIFS is a factual document providing information on developer funds secured/agreed, received, allocated and spent. This includes Section 106 and Community Infrastructure Levy (CIL). The need for the AIFS was introduced by the Community Infrastructure Levy (Amendment)(England) No. 2 Regulations 2019, which require any Local Authority in receipt of developer contributions to publish specified Section 106 and CIL data for the previous financial year.
- 1.2 The reporting requirements under the regulations are intended 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 of the data published include housing developers, community organisations and public sector bodies.
- 1.3 Both Cabinet and Communities Overview and Scrutiny Committee have in previous years endorsed the approach taken to and the format of the AIFS as published by the Council. The same approach has been taken this year as in previous years. Following approval of the first AIFS in 2019/20, Cabinet delegated authority to the Strategic Director for Communities to approve future Statements. The AIFS 2022/23 was approved by the Executive Director for Communities in December 2023, the title of the post having changed in 2023.
- 1.4 The Council receives funding under s106 Town and Country Planning Act 1990 (S106). An agreement under S106 is a legally binding agreement or "planning obligation" between the Council and a property owner/developer. The purpose of a S106 agreement is to mitigate the impact of the development on the local community and infrastructure. The agreement will set out the terms binding on the owners or developer to provide, facilitate or

fund the provision of infrastructure, services or other measures that may be needed for the development to be acceptable in planning terms. As noted later in this report, the Council is not a CIL collecting authority, but the Council does occasionally receive funding under CIL from district and borough councils.

2. The background narrative to the AIFS

- 2.1 Appendix 2 provides a narrative to accompany the County Council's Annual Infrastructure Funding Statement (AIFS) 2022/23. The narrative in Appendix 2 breaks down the numbers from the table into real projects and shows how the Council is mitigating the impacts of development on local infrastructure via the use of S106 and CIL. The headings in the narrative report are replicated below and correspond with the tables included in the Statement.
- 2.2 The detail in Section 2 and 3 of this report and Appendix 2 expands upon the numbers already published in the AIFS 2022/23 and gives a snapshot of the breadth and range of projects delivered (or to be delivered) via S106. It also reflects the growth in particular areas of the County and the projects required as a result. It illustrates the significant amount of work ongoing to enable development in Warwickshire and ensure that the subsequent impacts to Council services and infrastructure are mitigated.
- 2.3 As noted in Section 1 above, the AIFS sets out the financial contributions that the County Council has secured in new S106 agreements and what S106 contributions were received, held, allocated to projects, and spent in 2022/23.
- 2.4 The infrastructure categories used in the AIFS are in line with national guidance, below is a breakdown of the types of infrastructure and projects they include:
 - 2.4.1 Community Facilities - libraries – additional stock and promotional material for local libraries
 - 2.4.2 Education – new schools, school expansions, land for schools
 - 2.4.3 Green Infrastructure – biodiversity offsetting
 - 2.4.4 Highways – highway works, traffic control and information systems, cycleways, road safety
 - 2.4.5 Transport and Travel – public transport services, bus stops, travel packs and road safety education, school transport
 - 2.4.6 Monitoring – payments towards the cost of monitoring of County Council obligations in S106 agreements
- 2.5 It is also important to appreciate that whilst the Council's approach to securing and spending funds received under S106 agreements is consistent across the geography of Warwickshire, the amounts secured are directly proportional to the amount of new housing being created within areas which creates variances across different areas and over time.

3. What do the tables in the AIFS illustrate?

3.1 Table 1 - Total amount of money to be provided under any planning obligation which was entered into during 2022/23

3.1.1 Table 1 shows the financial contributions to the County Council secured in S106 agreements signed during 2022/23. The majority of income received related to education and highways contributions. More detail and relevant examples are set out in Appendix 2.

3.2 Table 2 - Summary details of non-monetary contributions secured during 2022/23

3.2.1 Table 2 illustrates the non-monetary contributions secured in 2022/23. In addition to financial contributions the Council can also secure non-monetary contributions via S106. This might include land for schools or biodiversity offsetting for example. Appendix 2 specifies some particular examples from 2022/23.

3.3 Table 3 - Money received from any s106 during 2022/23

3.3.1 Table 3 provides details of the S106 contributions that were received in 2022/23 – this relates to all monies received under S106, regardless of the year in which the agreements were signed. As might be expected receipts relating to education and highways spend were the highest in terms of monetary value, which reflects the cost of capital works of this type and the need for highway infrastructure and school places when development takes place.

3.4 Table 4 - Total amount of money received before 2022/23 which has not been allocated

3.4.1 Table 4 sets out the amounts of S106 funding held, which have not yet been allocated to a project.

3.4.2 The Council aims to secure funds as soon as possible in the development cycle and this can be well ahead of the point of allocation of the sums received to a specific infrastructure project. The delivery of some infrastructure can rely for example on the completion of certain infrastructure by a developer or the need to accumulate S106 funding from a number of developments in order for a specific scheme to be designed and built to mitigate the impact of development.

3.4.3 Pursuant to the legislation, funds received under S106 are collected for a specific purpose and must only be spent on those purposes. Therefore, we may hold the funds for a period before they can be allocated to a defined project in the capital programme that meets the purpose for which the funding was received.

3.4.4 Table 4 sets out the sums held and unallocated. As can be seen, £43.44m of Education funds were held and unallocated at the end of 2022/23. However, as with all S106 funding, the funds are held for specific projects and cannot be spent on anything other than what they

were collected for. There is a robust process in place to allocate and spend S106 education contributions which includes approval by the Capital Access Working Group, Capital Access Board and Cabinet. These funds are held for projects at various stages in that process.

3.5 Table 5 - Total amount of money which was allocated but not spent during 2022/23

3.5.1 Table 5 sets out S106 contributions which were allocated to a project during 2022/23 but are not yet spent. In respect of capital projects this represents funds that have been moved to the appropriate capital code and are available to spend, but costs have not yet been incurred. For revenue spend, funds have been moved to the appropriate cost centre from which they will be spent, but the funds are held pending costs being incurred. Projects are often carried out over multiple years making it necessary to report on these areas as well.

3.6 Table 6 - Total amount of money retained at the end 2022/23

3.6.1 Table 6 sets out the total amount of S106 money held at the end of the 2022/23 financial year. Money can be held for many reasons including waiting for works to be completed or being held for projects with a longer timescale such as biodiversity offsetting projects which can be delivered over 30 years.

3.6.2 The majority of retained funds shown in Table 6 are for highways and education capital projects which are at various stages of completion from initial approval through to multi year delivery.

3.6.3 As noted previously, whilst some funds are not yet allocated, they must be used for the specific purpose noted in the agreement and are held separately to other council balances.

3.7 Table 7 - Contributions spent in 2022/23 by infrastructure type and project

3.7.1 Table 7 shows the S106 contributions which were spent in 2022/23. Appendix 2 contains details of some specific projects delivered.

3.8 Table 8 – S106 Monitoring Fees received in 2022/23

3.8.1 The Council also secures contributions for the monitoring and administration of S106 contributions and obligations, and these are usually payable on completion of the S106 agreement. Table 8 shows that £14,480 was received for monitoring in 2022/23 and this was used to provide additional administrative resource to deal with fluctuations in the volume of work.

3.9 Tables 9 & 10 - CIL Received and Spent in 2022/23

3.9.1 The County Council is not a Community Infrastructure Levy (CIL) collecting authority but can receive contributions from Warwick District Council and Stratford District Council who charge CIL on development in their areas.

3.9.2 Tables 9 and 10 are included to provide detail of any CIL received or spent in the relevant year. No CIL funding was received in 2022/23

4. Financial Implications

4.1 None arising directly from this report as the AIFS is a retrospective report on the financial position at the end of 2022/23.

5. Environmental Implications

5.1 None arising directly from this report. Relevant environmental implications are considered at design and construction of the schemes to which the funding reported on applies.

6. Supporting Information

6.1 None

7. Timescales associated with the decision and next steps

7.1 None

Appendices

1. Annual Infrastructure Statement 2022/23
2. AIFS 2022/23 Narrative Report

Background Papers

1. None

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

Local Member(s): not applicable as county wide report

Other members: