
Meeting of the Cabinet – 13th December, 2023

Report of the Director of Regeneration and Enterprise

Infrastructure Funding Statement 2022/23

Purpose of report

1. To seek Cabinet approval for the Infrastructure Funding Statement 2022/23 and provide an update on available Community Infrastructure Levy (CIL) monies.

Recommendations

2. It is recommended that Cabinet:
 - Approve the Infrastructure Funding Statement 2022/23.
 - Note the available CIL monies and approve the approach to funds being carried forward.

Background

3. In September 2019 several Government reforms to Community Infrastructure Levy (CIL) came into effect. This included the introduction of an annual Infrastructure Funding Statement (IFS) placing a legal requirement on Local Authorities to have the document in place and published on their website by December 2020.
4. Dudley MBC introduced the first IFS in December 2020, which was approved by the Cabinet on 17th December 2020. This replaced the CIL Regulation 123 List, which identified key projects that were eligible to be funded or part funded via CIL. The IFS was further updated and approved by the Cabinet on 15th December 2021 and 14th December 2022.

5. The IFS is required to include as a minimum:
 - The Infrastructure List – the infrastructure projects or types of infrastructure which the Council intends will be, or may be, wholly or partly funded by CIL.
 - A S106 report setting out specific standard information on financial and non-financial income and spend details for the previous financial year (2022-2023) relating to S106 Agreements.
 - A CIL report setting out specific standard information on income and spend details for the previous financial year (2022-2023).
 - Details of highway works to be undertaken as part of new developments through section 278 agreements.
6. The IFS for Dudley MBC, as shown in Appendix One to this report, brings together a range of information relating to approved, received, allocated and spent S106 and CIL developer contributions and section 278 agreements for the 2022/23 financial year.
7. The IFS is a 'living' document and will be the subject of annual updates and monitoring.
8. Monies allocated to projects on the IFS account for 80% of total CIL receipts (Capital and Revenue Infrastructure Funding), with a further 10% taken from this and kept aside until it reaches approximately £1million. This will allow project holders to apply for funding for larger strategic infrastructure projects which currently have substantial funding gaps identified. This applies to all CIL receipts received from 1st January 2021 and will not be backdated or applied to receipts already with the Local Planning Authority. This was approved by the Cabinet on 17th December 2020.
9. It should be noted that inclusion of any type of infrastructure in the Infrastructure Funding Statement does not signify a commitment from the Council to deliver or fund, either in whole or in part, this type of infrastructure through CIL. The Infrastructure List as shown in the IFS has not ordered any project via preference or weighting of infrastructure.

Infrastructure Funding Statement Process

10. For a project to be added to the Infrastructure List it will be required to satisfy the criteria as shown in the IFS (2022/23) background paper and Table 1 (below). Where a significant number of submissions are received, it may be necessary for the List to be amended to only include projects that enable significant infrastructure delivery to support the borough's growth agenda and support the strategic infrastructure requirements of the emerging Local Plan.
11. **Table 1: Criteria for Assessing Infrastructure Funding Statement Projects**

Criteria	Pass/Fail	Evidence
Is the project a Strategic Priority/Local Priority?		Strategic Boroughwide Priority – Local Plan/Corporate Plan Local Plan – Area Action Plan
Is the infrastructure project essential or significant in supporting new development in the Borough?		Is the project consistent with the Development Plan/Referenced in the Dudley Development Strategy or emerging Draft Local Plan?
Are there any constraints which will impact on the delivery of the infrastructure?		Projects that have no, major or moderate constraint will be considered for inclusion
Amount of CIL contribution sought		Details of the budget gap and confirmation no other capital funding source can be identified. Details of any S106 funds to be provided
Has the project identified match funding?		Has this been secured and details?
Timeline for delivery (start and end)		Detailed project plan or timeline demonstrating the project is feasible

12. A five-stage process was approved by the Cabinet in December 2020 as follows:
 1. Invite infrastructure project submissions
 2. Assessment of submitted projects for inclusion within the IFS
 3. Updated IFS presented to Cabinet for approval
 4. Assessment of projects within the IFS for CIL funding
 5. Proposed CIL allocations presented to Cabinet for approval.
13. Emails containing the notification letter were sent on 22nd August 2023 to all project holders that could be identified with projects on the existing IFS, requesting that they complete the submission form for the project to remain on the IFS (Appendix Two).
14. Emails containing the notification letter requesting new projects to be added to the IFS (Appendix Three) were sent on 22nd August 2023 to:
 - Councillors
 - those on the Dudley Local Plan consultation database
 - internal colleagues
 - duty to co-operate partners.
15. All recipients of the emails and letters were given until 3rd October 2023 to return their submission forms for either existing or new projects.
16. The Council was in receipt of submission forms from a total of four organisations/providers with a total of 9 projects put forward. This includes both new projects and requests that existing projects remain on the IFS. Each project has been detailed in the consultation statement (Appendix Four).
17. Officers from Planning Services ensured that a satisfactory level of information had been provided on each submission form and to ensure eligibility in line with CIL Regulations.
18. A summary of the projects received was sent to the Regeneration and Enterprise Strategy Group (RESG) on 26th October 2023 for advice and guidance on the new projects. Their recommendations have been incorporated into the draft IFS in this report (Appendix One).
19. CIL receipts available to be allocated to projects on the IFS at this time (October 2023) totals **£69,183.73**.

20. Currently, there are insufficient funds in the CIL IFS pot to allocate to any projects detailed on the Infrastructure Project List. If further monies are received by the 31st December 2023, which would allow funding of any projects, the report detailing this will be sent to RESG and Cabinet in Spring 2024. If no further monies are received to allow the funding of any projects by 31st December 2023, officers recommend that the £69,183.73 be rolled over into 2024/25 financial year and be retained until the next consultation window in mid/late-2024.
21. Where submission forms were not received for projects on the existing IFS, these have been deleted. However, as the IFS is updated annually, there will be opportunities each year to submit submission forms if project holders wish to pursue this avenue of funding.

Summary

22. It is recommended that Cabinet approve the amended IFS, which has been through the annual review required by the CIL Regulations. As detailed above, if further funds are received by 31st December 2023 to allow funding of any projects, this will be detailed in a report to Cabinet in Spring 2024. If no further funds are received to allow the funding of any projects by this date, the current monies will be carried over to the next consultation window.

Finance

23. This report relates to decision making on infrastructure requirements on planning applications and the spending of CIL receipts. The update of the IFS on an annual basis provides a transparent approach to make such financial decisions relating to infrastructure. The IFS provides a transparent approach to the reporting of a range of information relating to the approval, receipt, allocation and spend of S106 and CIL developer contributions.

Law

24. The Council needs to ensure that robust and transparent mechanisms and procedures are in place to inform planning decisions on developer contributions and on the spend of CIL monies. The IFS brings together in one place information on approved, received, allocated and spent developer contributions. CIL Regulations require Councils to update their IFS on an annual basis, by December, for the preceding financial year.

Risk Management

25. The introduction of an annual Infrastructure Funding Statement (IFS) places a legal requirement on Local Authorities to have the document in place and published on their website by December. The existing IFS was endorsed by Cabinet and published on the Council's website by the end of December 2020. The IFS 2022, which is the subject of this report, will replace the 2021 IFS and ensure we meet the legal requirements set by Government.

Equality Impact

26. The proposals considered the Council's policy on Equality and Diversity and no issues have been identified.

Human Resources/Organisational Development

27. It is considered that there are no additional human resources or organisational development implications resulting from the IFS or the proposed methodology for allocating Community Infrastructure Levy funds. Work on the IFS is carried out by the Planning Policy Team in the Regeneration and Enterprise Directorate with assistance from officers in other Directorates where necessary.

Commercial/Procurement


28. There are not considered to be any commercial or procurement implications as a result of this report. Any procurement activity resulting from the recommendations set out in the report will be governed by the Councils Contract Standing Orders and the Procurement Management Group (PMG) as applicable.

Environment/Climate Change

29. Individual projects identified in the Infrastructure List of the Infrastructure Funding Statement will be assessed for their environmental impact and how they attempt to address climate change prior to any allocation of Community Infrastructure Levy funding. There are funds available through S106 agreements which are allocated to open space, nature conservation and public realm – the departments responsible for the allocation of this funding will fully assess the environmental impact of proposed projects prior to commencement.

Council Priorities and Projects

30. Schemes that may be brought forward as a result of infrastructure requirements will support the Council's priorities: by supporting improvements to community infrastructure across the Borough helping to contribute to stronger and safer communities, supporting public realm and environmental improvements to create a cleaner and greener place as well to providing infrastructure to bring forward development, unlock sites and help grow the economy and create jobs.



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List of Background Papers

[Infrastructure Funding Statement Cabinet Report 2022](#)

[Infrastructure Funding Statement – Allocation of Funding Cabinet Report 2023](#)

Appendices

Appendix One: Infrastructure Funding Statement December 2023

Appendix Two: Letter sent to project holders with projects currently listed on the Infrastructure Funding Statement

Appendix Three: Letter sent requesting new projects to be added to the Infrastructure Funding Statement

Appendix Four: Consultation statement