



ANNUAL INFRASTRUCTURE FUNDING STATEMENT

2019/20

1. Introduction - About this statement

1.1 This report provides a summary of financial contributions the Council has secured through section 106 agreements and Community Infrastructure Levy receipts, collectively known as developer contributions, from new developments for the provision of infrastructure and affordable housing within the financial period 2019/20.

1.2 The information included in the report will be updated annually and published on the Council's website. This will ensure the most up to date information on the amount of developer contributions received by the Council from new developments, in addition to information on where these monies have been spent is readily available to members of the public and other interested parties.

1.3 The report does not include information on the infrastructure delivered on site as part of new developments in the District nor does it include information on developer contributions paid directly to other infrastructure delivery partners such as Lincolnshire County Council. Details of these contributions can be found within Lincolnshire County Council's own Infrastructure Funding Statement.

1.4 Please note that data on developer contributions is imperfect because it represents estimates at a given point in time, and can be subject to change. However, the data reported within this document is the most robust available at the time of publication.

2. Key headlines from the statement

West Lindsey District Council community infrastructure levy (CIL)

- £20,609 of the neighbourhood portion has been split between 19 Parish Council's within the financial years 2018/19 and 2019/20 to be spent on Local Infrastructure.
- CIL receipts, circa £103,533 is available to spend on infrastructure, specifically within this plan period, the Lincoln Eastern Bypass and Secondary Education.

Table 1: High level summary of CIL balances

	2018/19 Rec'd (£)	2018/19 Paid (£)	2018/19 c/fwd (£)	2019/20 Rec'd (£)	2019/20 Paid (£)	2019/20 c/fwd (£)
WLDC Admin	4,736	4,736	0	1,853	1,853	0
LCC	75,080	0	75,080	28,453	0	103,533
PC	14,903	5,090	9,813	6,761	15,037	1,537
Total	94,719	9,826	84,893	37,067	16,890	105,070

West Lindsey District Council Section 106 agreements (S106)

- £707,265 has been received from developments in 2019/20 for the purpose of enabling affordable housing within the District.

- £110,111 has been drawn down towards the provision of primary care facilities within the District.

Table 2: High level summary of s106 balances

	2018/19 c/fwd (£)	2019/20 Additions (£)	2019/20 Int Interest (£)	2019/20 Used (£)	2019/20 c/fwd (£)
Affordable Housing	1,539,611	578,518	3,028	217,000	1,904,157
Health	0	128,747	0	110,111	18,636
Public Open Space	2,500	0	0	0	2,500
Total	1,542,111	707,265	3,028	327,111	1,925,293

3. Community infrastructure levy & section 106 agreements

3.1 CIL is a tariff-based charge on the development of new floor space (per square metre) in the District. The money can be used to fund a wide range of infrastructure, during the Local Plan period, CIL receipts are currently earmarked to support the provision of the Lincoln Eastern Bypass, in line with the Memorandum of Understanding agreed by Members in 2010.

3.2 S106 agreements are used to mitigate the impacts of development and ensure that West Lindsey's infrastructure needs, as part of Central Lincolnshire's Local Plan policy requirements, are fully met.

S106 obligations include:

- Site-specific financial contributions - these are secured and must be used for defined purposes; for instance, the provision of education facilities, traffic and transport/highways related works, open space provision and affordable housing contributions (where accepted in lieu of on-site provision).
- Provision of on-site affordable housing; and
- Non-financial obligations, including requirements such as employment and skills strategies, construction management plans and travel plans.
- Over the past financial year 2019/20, over £744,333 of funding has been collected from a combination of CIL and S106 contributions (see tables X and X) to support the delivery of infrastructure, specifically to enable affordable housing across the District.

4. Community infrastructure levy – collection and expenditure

4.1 West Lindsey income 2019/20

The amount of CIL payable depends on where the development is located within the District and the type of development. The West Lindsey CIL charging schedule and map of the charging zones are available to view on our website at: www.west-lindsey.gov.uk/CIL

4.2 The tables below provides a breakdown of CIL receipts over the last two financial years. It is difficult to predict trends in terms of income with only two years'

worth of data, it is considered that within the next couple of years further data will support better predictions.

Equally West Lindsey has a high proportion of 'self-build' exemptions, currently in the region of 25%, which creates the same level of administration but generates no levy.

Table 3: CIL Income

Year	£
2018/19	£94,719
2019/20	£37,067

Table 4: CIL contributions collected in 2019/20

CIL amounts collected 2019/20	Reference Number	Parish
£605	138521	Middle Rasen
£1,746	138822	Caistor
£13,823	138954	Osgodby
£5,468	138024	Sturton by Stow
£3,696	138674	Sudbrooke
£941	138741	Owersby
£7,410	137265	Goltho
£3,375	137695	Market Rasen

4.3 West Lindsey CIL expenditure

£1,853 was retained in 2019/20 by the authority to contribute towards the authorities CIL administration costs, in line with the CIL Regulations 2010 (as amended). The balance £28,453 is retained in 2019/20, to be drawn down by Lincolnshire Country Council for the delivery of the Lincoln Eastern Bypass and Secondary Education.

4.4 Neighbourhood CIL

Councils have a duty to pass on a proportion of CIL receipts to local neighbourhoods (this is known as the neighbourhood portion). The neighbourhood portion is capped at 15% (but rises to 25% in areas where a neighbourhood plan has been adopted).

The neighbourhood portion of the levy must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area.

4.5 During 2018/19 and 2019/20 we have collected £21,665 of CIL funding for the purpose of funding local neighbourhood projects (see table 5 below).

Table 5: Neighbourhood CIL collected and paid to Parishes since 2018/19

Year	£
2018/19	£5,090

2019/20	£16,574
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Infrastructure Funding Statements look at financial years, however payment of the Neighbourhood portion takes place twice a year; on or before the 28th April and on or before 28th October, therefore the amounts collected in a financial year may not directly reconcile with the neighbourhood portion paid.

5. Section 106 collection and expenditure: 2019/20

5.1 The Central Lincolnshire Local Plan, adopted in April 2017 sets out our priorities in relation to planning obligations in the context of negotiations on planning applications. These priorities include the provision of infrastructure and affordable housing.

5.2 Further detail on the implementation of this approach is set out in the Developer Contributions Supplementary Planning Document. This document outlines the range and nature of planning obligations to be sought depending on the type of development and how they are calculated in the District and Central Lincolnshire as a whole.

These documents can be viewed on our shared Central Lincolnshire website at: www.central-lincs.org.uk/local-plan

5.3 Section 106 agreements signed

Table 6: Developments with notable S106 financial contributions signed in the last financial year (2019/2020) include:

Planning Reference	Parish	Contribution
133284	Sudbrooke	25% on site affordable housing (phase 1 – 3)
		£319,662 affordable housing commuted sum (phase 4)
136577	Gainsborough	20% on site affordable housing
		£20,800 health contribution
138494	Nettleham	25% on site affordable housing
		£40,000 health contribution
139784	Langworth	25% on site affordable housing
		£12,600 health contribution

Relevant documentation for all planning applications can be viewed online on our planning portal at: www.west-lindsey.gov.uk/planning

5.4 Section 106 financial contributions received

In 2019/20, a total of £707,265 was received in s106 contributions. Table 7 shows the breakdown of contributions received in 2019/20.

Table 7: s106 contributions collected

S106 amounts collected in 2019/20	Reference Number	S106 purpose
£69,917	129637	Affordable Housing
£66,596	132904 (DoV relating to application 128773)	Affordable Housing
£18,636	131498	NHS
£318,903	132090	Affordable Housing
£117,101	127782	Affordable Housing
£110,111	131174	NHS
£6,000	100492 (DoV dated 17.07.20)	Public Open Space

Table 8: s106 receipts & expenditure since 2018/19

	Received in year	Expenditure
2018/19	£459,631	£20,096
2019/20	£707,265	£312,111

5.5 Section 106 spending

There continues to be a steady level of expenditure in relation to s106 monies. The majority of monies spent are in relation to affordable housing, this is because commuted sums relating to other infrastructure, education and highways, is often paid by the development directly to that infrastructure provider under the terms of the S106 agreement. Each organisation that receives monies through developer obligations directly are required to publish an IFS.

Summary of main spending during 2019/20

- £202,000 – provision of affordable housing on scheme at North Marsh Road, Gainsborough
- £110,111 – to NHS for the provision of facilities in Saxilby

5.6 Current s106 balances

As a result of the expenditure set out above, the current s106 balances held are as follows:

- Total current balance £1,925,293
- Of that balance 24% is formally earmarked for specific projects, including health and affordable housing schemes
- £1.4m remains available for allocation for future affordable housing schemes to be allocated towards affordable housing schemes in 2020/21 and beyond,

all of which will need to meet the specific requirements as defined within s106 agreement schedules relating to each site

6. Future expenditure

6.1 CIL

As detailed above currently all CIL collected throughout the plan period is earmarked for the delivery of the Lincoln Eastern Bypass and Secondary Education, and is prioritised as such. If this arrangement changes, decisions on future infrastructure priorities will be established and agreed through appropriate governance mechanism to ensure transparency and equity.

In terms of predicting the level and timing of future CIL funding it will depend on the nature and scale of development, the number of implemented planning permissions, build out rates and the phasing of development. As such due to the uncertainty over forecasting, the amount of CIL funding will be based on the total receipts collected from the previous financial year and any unspent receipts from previous financial years.

6.2 S106

S106 funding must be spent in accordance with the terms of the legal agreement (as part of the planning application process). The heads of terms can include a clause to spend the S106 contribution between five and ten years of the agreement. S106 funding is more closely tied to the phasing of development set out in the terms of the legal agreement. S106 income varies on a site-by-site basis depending on a range of factors, such as the viability of development and site-specific considerations. This makes it difficult to forecast future S106 income and expenditure.

Much like CIL any future spend from S106 will only be based on commuted sums collected from the previous financial year and any unspent commuted sums from previous financial years. As such this approach may result in s106 commuted sums being retained over a number of years creating enough reserves to deliver/enable strategic affordable housing projects at scale in line with corporate priorities.

7. Conclusions

7.1 West Lindsey District Council is committed to working with the local community and other stakeholders to ensure that planning contributions are used in a fair and transparent way to maximise the benefits and opportunities arising from development, such as new affordable homes and key infrastructure provision.

7.2 As part of West Lindsey's commitment to continuous service improvement the planning and delivery of CIL and S106 income and expenditure remains under review to ensure the allocation and negotiation process is robust and appropriate facilitating coordinated delivery to meet identified need and corporate policies.