

# Infrastructure Funding Statement

Reported Year

1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023

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## 1.0 Introduction

### 1. Introduction - About this statement

- 1.1 This Infrastructure Funding Statement published by West Lindsey District Council is for the financial period 2022/23. The 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 2022/23.
- 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.

## 2.0 Key headlines from the statement

### 2. Key headlines from the statement

West Lindsey District Council community infrastructure levy (CIL)

- £121,459.32 of the neighbourhood portion has been split between 39 Parish Council's within the financial year 2022/23 to be spent on Local Infrastructure.
- CIL receipts, circa £1,005,337.19 is available to spend on infrastructure, including projects such as the Lincoln Eastern Bypass and creating capacity in Secondary Education establishments.

Table 1: High level summary of CIL balances

Year	Total Receipts	Parish Council Receipts	WLDC Administration	LCC portion (held in line with MOU)
2018/19	£94,720.00	£14,903.70	£4,736.00	£68,818.14
2019/20	£33,693.06	£5,224.56	£1,684.65	£26,783.85
2020/21	£127,089.64	£25,833.34	£6,165.30	£101,353.16
2021/22	£289,863.53	£54,525.98	£14,493.18	£220,844.37
2022/23	<b>£746,512.10</b>	<b>£121,459.32</b>	<b>£37,515.11</b>	<b>£587,537.67</b>
Total	<b>£1,291,878.33</b>	<b>£221,946.90</b>	<b>£64,594.24</b>	<b>£1,005,337.19</b>

West Lindsey District Council Section 106 agreements (S106)

- £149,647 has been received from developments in 2022/23 for the purpose of enabling affordable housing within the district.

Table 2: High level summary of s106 balances

	2021/22 c/fwd (£)	2022/23 Additions (£)	2022/23 Internal Interest (£)	Spent 2022/23 (£)	2022/23 c/fwd (£)
Affordable Housing	3,665,348	149,647	1,846	356,105	3,460,734
Health	339,155	0	0	193,159	145,996
Total	<b>4,004,503</b>	<b>149,647</b>	<b>1,846</b>	<b>549,264</b>	<b>3,606,730</b>

## 3.0 Community infrastructure levy & section 106 agreements

### 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.

## 4.0 Community infrastructure levy – collection and expenditure

### 4. Community infrastructure levy – collection and expenditure

#### 4.1 [West Lindsey income 2021/22](#)

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](http://www.west-lindsey.gov.uk/cil)

**4.2** The tables below provide a breakdown of CIL receipts within the financial year 2022/23. Predicting the trend in income from CIL becomes easier the longer the CIL charging schedule has been in place. West Lindsey District Council has been a CIL charging authority for 5 years and as such many more planning permissions within the system are CIL chargeable and are starting to deliver on site, meaning that a more regular income is being received, benefiting both the funding of administrative support as well as large sums being paid to Parish Councils for the benefit of communities across the district.

**4.3** It is predicted that, due to the new Central Lincolnshire Local Plan having been adopted in April 2023 that CIL income will continue to grow for another couple of years and then stabilise. However, this is based on the legislation and regulation which governs CIL and S106 not being

radically changed, as proposed by the recent Infrastructure Levy consultation paper published by Central Government earlier this year.

**4.4** Despite a positive income trajectory, West Lindsey continues to receive a very high proportion of ‘self-build’ exemptions, in the region of 32%, which creates the same level of administration but generates no levy and makes no contribution to local infrastructure.

*Table 3: Total CIL Income*

Year	(£)
2022/23	746,512

#### 4.5 West Lindsey CIL expenditure

£37,515.11 was retained in 2022/23 by the authority which contributed towards the authorities CIL administration costs, in line with the CIL Regulations 2010 (as amended).

#### 4.6 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.

**4.7** During 2022/23 we have collected £121,459.32 of CIL funding for the purpose of funding local neighbourhood projects (see Table 4).

*Table 4: Community portion of CIL*

Name of Local Council	CIL Amount (£)	Planning References
Bardney	£4,603.67	142530, 144312, 145455
Barlings	£2,655.40	140483
Bishop Norton	£126.56	139798
Burton	£9,446.92	142592
Caenby	£513.84	141119
Caistor	£2,492.11	139897, 143861
Cammeringham	£2,410.39	143553
Cherry Willingham	£3,916.59	143588
Dunholme	£19,698.70	141292
Fenton	£742.47	137637, 140678
Gainsborough	£19,203.15	138733, 143757
Gate Burton	£2,309.62	140912
Glentworth	£491.15	143064
Greetwell	£1,261.87	142203, 143725
Heapham	£577.51	139751
Keelby	£2,191.12	140132

Legsby	£460.17	141978
Market Rasen	£2,719.78	138754, 139290, 144381, 145000
Market Rasen	-£103.96	145639 (Amount refunded in 2023)
Marton	£525.21	141066
Middle Rasen	£3,676.41	139587, 141839, 145493
Nettleham	£893.96	138899
Nettleton	£1,542.30	139043, 143908, 145271
North Kelsey	£593.91	142181
Osgodby	£4,218.84	140644, 140929, 141927, 144766
Owersby	£2,362.05	142443
Reepham	£8,934.18	141785
Rothwell	£518.39	140587
Saxilby-with-Ingleby	£1,483.12	139830, 144343, 145919
Scampton	£612.05	142529
Scotter	£522.36	137576
Snitterby	£1,536.99	140197, 141819
South Kelsey	£2,116.32	139714, 142186, 144118
Stow	£3,548.25	144010
Sturton-By-Stow	£4,864.91	143327, 143722, 144064
Tealby	£2,467.23	139158, 140890
Torksey	£1,152.62	144789
Waddingham	£568.98	143218
Welton	£6,003.21	143728, 144230
Willingham	£835.59	139533

**4.8** Infrastructure Funding Statements look at fiscal years, however payment of the Neighbourhood portion takes place twice a year; on or before the 28th of April and on or before 28th October, therefore the amounts collected in a fiscal year may not directly reconcile with the neighbourhood portion paid. For example, this year £136,355.42 of the neighbourhood portion was paid over to local councils within the financial year with £31,052.95 being held over year end and paid in April 2023, in line with the Regulations.

## 4.7 Non-parished areas

Despite West Lindsey District Council having a large number of Parish Councils. There are areas of the district which do not have a Parish or Town Council. These areas are usually rural areas with a limited number of houses and as such are unlikely to see much development. However, there are some instances where development may come forward and CIL may be collected.

**4.9** In these instances the CIL Regulations 2010 (as amended) require the CIL Charging Authority to retain the monies. Monies collected from non-parished areas must be spent on infrastructure projects, however there is no time limit within the Regulations as to how long monies may be held. For the period of 2022/23 which this IFS covers, West Lindsey District Council, as the CIL charging authority, holds receipts collected in connection with developments situated within the following parishes: £513.84 in Caenby, £544.03 in Fillingham, £1,475.88 in Goltho, £318.22 in Grayingham, £577.51 in Heapham and £460.17 in Legsby.

**4.10** This money and other monies collected from non-parished areas will be held until such time that there is a sufficient quantity to scope and deliver a suitable infrastructure project.

**4.11** To align with the Council's Corporate Objectives around people and place, specifically wellbeing and infrastructure and the Council's goal to reduce carbon emissions across the district by 2050, it is proposed that monies will be used to deliver projects which improve walking and cycling provision across West Lindsey. Because this money is likely to originate from rural communities it is intended that the project should be, in the first instance focussed on infrastructure to support rural communities. Once the quantity of funds collected from development located in non-parished areas allow, a project will be developed and taken through the appropriate governance process for approval.

**4.12** Currently there is not enough money to deliver a project and as such further work will be undertaken to scope this approach and establish a framework for delivery, which can be implemented once a sufficient amount of money has been collected.

**4.13** The budget line for non-parished areas will continue to be reported on through the Infrastructure Funding Statement, annual budget reviews, as well future project development.



## 5.0 Section 106 collection and expenditure: 2020/21

### 5. Section 106 collection and expenditure: 2022/23

**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. It is important to note that this IFS relates to the previous Local Plan adopted in 2017. All future IFS's will relate to the new Central Lincolnshire Local Plan adopted in April 2023, although in reality there will be little change as priorities for planning obligations broadly remain the same.

**5.2** Further detail on the implementation of this approach is set out in the Developer Contributions Supplementary Planning Document (SPD). 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. Again, in line with the adoption of the new Central Lincolnshire Local Plan the Developer Contributions SPD has also been reviewed and following consultation during the summer of 2023 is likely to be adopted and replace the current document. Although like the Local Plan priorities the approach will remain the same.

These documents and the new versions can be viewed on our shared Central Lincolnshire website at: [www.central-lincs.org.uk/local-plan](http://www.central-lincs.org.uk/local-plan)

### 5.3 Section 106 agreements completed in 2022/23

**5.4** \*It is important to note that contributions requested for education and highways are made by Lincolnshire County Council, based on their own evidence and data. The Local Planning Authority has no jurisdiction over when contributions are requested, nor which infrastructure projects identified for funding.

*Table 5: Developments with S106 financial contributions signed in the last financial year 2022/23 included below.*

Reference	Application Site	Type of Agreement	Type	Contribution/Requirement	Restriction on Spend
141839	Gallamore Lane, Market Rasen	S106	NHS	£44,907.50	Extension to Market Rasen Surgery at Mill Lane
			Highways	Travel Regulation Order contribution (£5,000)	Travel Regulation Order
			Highways	Travel Plan contribution (£5,000)	Travel Plan monitoring
144540	West Farm, Normanby Road, Normanby by Stow	S106	Highways	Highways contribution (£1,500)	Road safety signage on B1241
143821	Former AMP Rose site, Heapham Road, Gainsborough DN21 1SJ	S106	NHS	£632.50 per dwelling (£40,480)	Additional clinical space at Cleveland Surgery &

Reference	Application Site	Type of Agreement	Type	Contribution/Requirement	Restriction on Spend
					Caskgate Surgery
143887	Seggimoor Farm, Bishop Norton Road, Glentham, Market Rasen, Lincolnshire, LN8 2EU	UU	AH	Commuted sum of £110,791.20	Provision of AH in WL (West Lindsey) with 25% of funds for First Homes
145433	Land north of, 40 Lodge Lane, Nettleham, LN2 2RS	S106	NHS	£25,561.25	Expansion of Nettleham Medical Practice, Welton Family Health Centre and/or Glebe Park Surgery.
			HW	£2,800	Amendment to Traffic Regulation Order

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

## 5.5 Section 106 financial contributions received

**5.6** In 2022/23, a total of £149,647 was received in s106 contributions. Table 6 shows the breakdown of financial contributions received in 2022/23.

*Table 6: s106 contributions collected*

S106 amounts collected in 2022/2023	Reference Number	S106 purpose	Restrictions on spend as defined in s106	Payback
£133,784	127782	Cannon Kirk, Caistor Hospital (Affordable Housing)	Receiving on every 10 <sup>th</sup> dwelling up to 140 dwellings	Spend within 5 years of receipt of final payment.
£15,862	127782	Cannon Kirk, Caistor Hospital (Community Contribution)	Receiving on every 20 <sup>th</sup> dwelling up to 130 dwellings	Spend within 5 years of receipt of final payment.

## 5.7 Section 106 spending

**5.8** As Lincolnshire is a two-tier authority, any monies secured for highways or education in s106 agreements are paid directly to Lincolnshire County Council. Details of receipts and spend can therefore be found in County Council's own Infrastructure Funding Statement.

**5.9** There continues to be a steady stream of projects funded by affordable housing s106 monies. A total of £356,105 has been spent on affordable housing schemes in line with the requirements of the s106 agreements that secured the commuted sums, details of what which can be seen below.

*Table 7: s106 contributions spent*

Project	Detail	Partner	2022/2023
Gainsborough Southwest Ward Regeneration Project	Project to enable delivery of seven units of additional affordable supported housing through bringing empty properties back into use.	LEAP	£28,570
Roman Gate	Enable the provision of 24 Supported Housing apartments for affordable rent and communal facilities to support independent living.	LACE Housing Association	£90,000
Independent Living	Utilisation of S106 funding within existing social housing to adapt properties on a large scale to allow disabled people to remain living independently within their homes.	West Lindsey District Council / Registered Providers	£237,535

## 5.10 Current s106 balances

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

- Total current balance £3,606,730, which includes monies earmarked for the NHS as well as monies secured for the delivery of affordable housing across the district.
- Of the affordable housing balance held 68% is formally earmarked for specific affordable housing projects. To ensure full transparency, as with the projects highlighted in table 7,

all direct spend by West Lindsey District Council, for the purposes of enabling Affordable Housing schemes will be detailed within the Council's future Capital Programme, following comprehensive project development and due diligence.

- £1.103m remains available for allocation for future affordable housing schemes to be allocated towards affordable housing schemes in 2023/24 and beyond, all of which will need to meet the specific requirements as defined within s106 agreement schedules relating to each site.

## Future expenditure and priorities

### 6. Future expenditure and priorities

#### 6.1 CIL

As detailed above currently all CIL collected throughout the Local 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.

**6.2** 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.

#### 6.3 S106

S106 funding in all cases 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, location, and other site-specific considerations. This makes it difficult to forecast future S106 income and expenditure. However, all future S106 expenditure is reported through Capital Budget Setting and the delivery of those projects will be reported on through future Infrastructure Funding Statements.

**6.4** 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 several years creating enough reserves to deliver/enable strategic affordable housing projects at scale in line with corporate priorities.

**6.5** Delivering additional affordable housing through S106 funding is challenging in West Lindsey. This is because West Lindsey is not a stockholding authority and as such relies on external partners to deliver the affordable housing across the district. Whilst the Council has clear priorities to deliver housing which meets evidenced needs, very often projects arise in the guise of opportunities presented by Registered Providers based on their programmes of work.

**6.6** Nonetheless, the options detailed below, align with housing needs evidence, and remain a focus for future S106 spend:

- Use area restricted S106 funding to purchase open market housing to deliver additional affordable rental units in those areas
- Use S106 funding to convert market housing into First Homes
- Use S106 funding to purchase open market housing to deliver additional affordable rental units' areas of evidenced high need
- Purchase empty or problematic properties and convert them into affordable housing
- Improvement to existing social housing stock.

**6.7** All projects which align with these priorities will be assessed as part of the established application process for S106 monies, ratification of the project will be sought via the s106 Capital Spend Programme and be subject to a grant funding agreement between the Council and the delivery partners.

## Conclusions

### 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



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