



CABINET
Tuesday, 05 September 2023

Subject	Report of CIL Spending and the Infrastructure Funding Statement 2022-23
Report by	Councillor Kay Yule Cabinet Member with responsibility for Planning and Coastal Management
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Director	Nick Khan Strategic Director Nick.Khan@eastsoffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Category of Exempt	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

1. For Cabinet to receive and note the Infrastructure Funding Statement (IFS) 2022-23, which comprises of a report on the benefits of infrastructure delivered through CIL, and includes 3 appendices, Appendix A - The Community Infrastructure Levy (CIL) Report, Appendix B - The S106 Report, and Appendix C - The Infrastructure List and to approve this document for publication, with further minor amendments to be approved by the Cabinet Member for Planning and Coastal Management.

This is a statutory document, the content of which is prescribed under Regulation 121A and Schedule 2 of the CIL Regulations 2010 (as amended). This document is required to be published on the Council CIL webpages by 31 December 2023.

Previous versions of the IFS can be viewed on the [Infrastructure Funding Statement Webpage](#).

The IFS 2022-23 is attached as **Appendix A** to this report and has been reviewed by the CIL spending Working Group and is recommended for publication.

2. For Cabinet to approve and, where appropriate, confirm the deferral or rejection of the District CIL Funding Bids (over the £50K Local CIL Fund threshold) received for the delivery of infrastructure projects to support the Local Plans growth, as recommended by the CIL Spending Working Group.

A detailed summary of the CIL funding bids received in 2023 and the recommendations made to support the planned growth is attached as **Appendix B – District CIL Funding 2022-23** to this Report.

The CIL Spending Working Group have reviewed the proposed bids and make their recommendations within this report.

‘In principle’ approval of CIL bids allows the CIL funds to be ringfenced towards the project and once all necessary documentation and planning permissions have been obtained the project can proceed without the need for further approval of Cabinet.

3. For Cabinet to approve the recommended changes to the CIL Spending Strategy in order to address the following:
 - recommendations made from the recent review of the Strategy by the CIL Spending Working Group to take into account of the local impacts of Zero-rated strategic sites;
 - to update the Strategy in the light of legislative changes;
 - to update the Strategy to ensure it is fit for purpose for 2023/4 onwards, including ongoing review arrangements; and
 - the addition of the new Heads of Terms for the CIL Spending Working Group, updated following the elections;

The CIL Spending Working Group have reviewed the strategy and the revised CIL Spending Strategy is attached as **Appendix C** to this report.

Options:

Failure to produce and publish the Infrastructure Funding Statement 2022-23 would place the council in breach of the CIL Regulations. There is no alternative option.

Failure to approve the use of CIL Funds to support the delivery infrastructure projects would make planned development unsupported and unsustainable, increasing journeys for services (education, waste, community facilities, etc) to alternative locations, reducing customer support/service. If planned infrastructure projects are not delivered in a timely manner this could make planned housing growth unsustainable and potentially result in refusal of planning permissions in areas where there is insufficient infrastructure to support growth.

Other unintended impacts such as increased fly tipping, poorly educated children, increased risk to health, etc could also be linked to a failure to deliver infrastructure to support growth.

Failure to review and update the CIL Spending Strategy could negatively impact on the Council's good reputation for best practice in this field.

Recommendations:

1. That the Infrastructure Funding Statement 2022-23 at Appendix A to the report be approved, for publication by 31 December 2023, subject to further minor financial, typographical, and presentational amendments confirmed through the Cabinet Member with responsibility for Planning and Coastal Management.
2. That the allocation of District CIL funding towards the infrastructure projects, as outlined in Appendix B to the report, be approved, and those Local CIL Fund projects approved by the CIL Spending Working Group in June 2023 be noted.
3. That the changes to the CIL Spending Strategy, as outlined in Appendix C to the report, be approved.

Corporate Impact Assessment

Governance:

To ensure that best practice and good governance is adopted and applied to the Council's management of developer contributions through implementation and review of the CIL Spending Strategy. The CIL Spending Working Group are responsible for deciding the Local CIL Fund bids and for the review of District CIL Funding bids and for making recommendations to Cabinet for approval of the proposed District CIL Funding allocations. The CIL Spending Working Group also review the content of the Infrastructure

Funding Statement, which is set out through Regulation 121A and Schedule 2 of the CIL Regulations 2010 (as amended) and make the recommendation to publish this year's IFS.

ESC policies and strategies that directly apply to the proposal:

CIL Spending Strategy

East Suffolk Council - Waveney Local Plan

East Suffolk Council - Suffolk Coastal Local Plan

East Suffolk Council – Leisure Strategy

East Suffolk Strategic Plan Objectives: –

- Economy - Support and Deliver Infrastructure
- Communities - Maximising health, well-being, and safety in our District
- Sustainable – Optimising our financial investment and grant opportunities
- Transformation – Effective use of data
- Environment – Minimise Waste, reuse materials and increase recycling

Environmental:

The CIL Funding bid for improvements to the Foxhall household waste recycling centre directly meets the council's Strategic Environmental objectives to minimise waste, reuse materials and increase recycling. Other projects also allow for the expansion of education and provision to support and make our communities healthier and resilient, for example, through the delivery of modern environmentally and energy efficient early years education buildings, and through leisure, sport, play and open space projects supporting health and wellbeing.

Equalities and Diversity:

Environmental Impact Assessment EQIA530872203 has been completed and submitted to the Communities Team for review.

There are no identified negative impacts on those with protected characteristics.

Financial:

The unallocated District CIL Fund is currently holding approximately £16m (on 31 March 2023), being sufficient available funds to approve the infrastructure projects that are recommended to be either partially or fully funded through District CIL Funding in the 2023 Bid Round. The CIL Spending Working Group are mindful of the impacts of overallocation of District CIL when large, District CIL Funded infrastructure projects are in the pipeline for upcoming years. The Infrastructure Team who manages CIL collection and spend are currently self-funded from CIL Admin receipts. This is dependent on collection levels of CIL and on timely payment of CIL by developers.

Human Resources:

The proposals in this report do not have any material Human Resources impacts.

ICT:

The Exacom ‘live time’ developer contributions database is publicly available and continues to be the main back-office management system for developer contributions and the portal through which all stakeholders can understand the potential, due, received, allocated and available CIL Funds, together with details of individual amount received, allocated and spend and details of all District CIL spending. Currently the Infrastructure Team are adding the historic financial data for s106 to the system in order to fully reconcile the entire developer contribution system to the Council’s financial management system. The project will provide an overview of 30+ years of developer contributions history and activities.

Legal:

There is a statutory requirement to report on Developer Contributions in line with the CIL Regulations 2010 (as amended) and to spend CIL in accordance with the CIL Regulations.

Risk:

Failure to produce and publish the Infrastructure Funding Statement 2022-23 would place the council in breach of the CIL Regulations. There is no alternative option.

Failure to approve the use of CIL Funds to support the delivery infrastructure projects would make planned development unsupported and unsustainable, increasing journeys for services (education, waste, community facilities, etc) to alternative locations, reducing customer support/service and potentially resulting in refusal of planning permissions in areas where there is insufficient infrastructure to support the planned growth.

Other unintended impacts such as increased fly tipping, poorly educated children, increased risk to health, etc could also be linked to a failure to deliver infrastructure to support growth.

Failure to review and improve governance of developer contributions could result in poor practices and management of funding for infrastructure.

External Consultees:	None – However the process of identifying and reviewing infrastructure needs is ongoing beyond local plan and neighbourhood plan making. Please see EqIA for further information.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input checked="" type="checkbox"/>	<input type="checkbox"/>

T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input checked="" type="checkbox"/>

How does this proposal support the priorities selected?

The use of developer contributions for supporting the delivery of the proposed infrastructure projects helps to meet several of the corporate objects. The infrastructure projects to be funded from CIL range from increasing recycling and reuse of domestic waste, provision of early years education and improving community sport facilities. New buildings and facilities are required to meet sustainability and efficiency targets set out within the recently updated Building Regulations, together with access requirements for those with disabilities.

The expansion of education (and early years childcare), sports, and waste recycling facilities supports our communities to live sustainably, to work, to learn and develop, and to be healthy and active. By expanding and providing new facilities locally in areas of growth it also reduces the need for people to travel further for these services.

The continued work on the Exacom Developer Contributions Project will support the transformation, transparency, and electronic reporting, supports the publication of the IFS and demonstrates the golden thread between the Local Plan growth and the delivery of infrastructure. The system is future proofed to enable East Suffolk to transition to the new Infrastructure Levy at a future date.

The publication of the IFS 2022-23 supports the Council's corporate governance requirements by complying with the CIL Regulations 2010 (as amended). It is a statutory

requirement to produce the IFS annually and publish it by the 31 December, following the end of the reported financial year.

The continuous review of our developer contributions governance arrangements ensure East Suffolk Council can continue to demonstrate good practice and continue to improve the way we work and deliver services.

Background and Justification for Recommendations

1 Background facts	
1.1	There is a statutory requirement to report on Developer Contributions in line with the CIL Regulations 2010 (as amended).
1.2	When the Local Plan is developed, all statutory infrastructure providers are consulted and asked to provide details of the estimated costs and projects required to support the planned growth. This also includes the proposed timing of projects. These projects which form part of the Infrastructure Delivery Framework of both Local Plans are now subject to annual review and are included in the Infrastructure Funding Statement (IFS). This document provides the most current details of proposed projects, costings, and timescales for delivery over the plan period. The IFS also allows for newly identified projects emerging from local plans to be captured and for projects that are no longer required to be marked as such and subsequently removed from the IFS in future years. Some of the projects offer continued delivery of the service/use of the facility well beyond the Local Plan period.
1.3	Inner Circle, the consultants appointed through the Planning Advisory Service, noted in their Improving the Governance of Developer Contributions report, that East Suffolk was <i>“demonstrating best practice across all areas that contribute to the good governance of developer contributions.” Your approach of working alongside Parish Councils to offer CIL support is particularly strong as is you use of a public facing module to share and publish developer contributions data.</i> The recommendations to further improve processes have been actioned.

2 Current position	
2.1	The current IFS reports on the period 2021-22 and is also forwards looking in terms of the Infrastructure List. The requirement for producing and publishing an annual Infrastructure Funding Statement is from the CIL Regulations 2010 (as amended).
2.2	The proposed CIL Funded projects are to be delivered in the short-term and are infrastructure projects which, when delivered, will help to ensure that new housing developments are sustainable. Considerable growth is proposed across East Suffolk and statutory services and local facilities must be able to support this planned growth.
2.3	Whilst East Suffolk is demonstrating best practice in many areas of Developer Contributions Management, there is always a need to review, evolve and improve. The CIL Spending Working Group have therefore considered and made proposed changes to the CIL Spending Strategy to reflect recognition of £0 CIL rated strategic sites impact on local projects and to reflect changes in legislation for example for

