

Report No.

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** DEVELOPMENT CONTROL COMMITTEE

**Date:** 2 November 2021

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** INFRASTRUCTURE FUNDING STATEMENT 2021

**Contact Officer:** James Renwick, Infrastructure Delivery Team Leader  
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**Chief Officer:** Tim Horsman, Assistant Director (Planning)

**Ward:** (All Wards);

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1. Reason for report

- 1.1 This report seeks the Committee's agreement to publish the second annual 'Infrastructure Funding Statement' for the 2020/21 financial year as required under the Community Infrastructure Levy Regulations 2010 (as amended) by 31 December 2021. Under the Regulations the Council is designated as a 'contribution receiving authority' and is required to publish certain information in respect of S106 and CIL amounts collected.

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2. **RECOMMENDATION(S)**

- 2.1 That the Development Control Committee approve the Infrastructure Funding Statement at Appendix 1, noting that it will be published on the Council's website by 31 December 2021 to comply with the requirements of the Community Infrastructure Levy Regulations 2010 (as amended).

## Impact on Vulnerable Adults and Children

1. Summary of Impact: No Impact
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## Corporate Policy

1. Policy Status: Not Applicable
  2. BBB Priority: Excellent Council Quality Environment Vibrant, Thriving Town Centres Healthy Bromley:
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## Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Planning Policy and Strategy
  4. Total current budget for this head: £0.568m
  5. Source of funding: Existing Revenue Budget for 2020/21
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## Personnel

1. Number of staff (current and additional): 3 FTE
  2. If from existing staff resources, number of staff hours: N/A
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## Legal

1. Legal Requirement: The Community Infrastructure Levy Regulations 2010 (as amended)
  2. Call-in: Not Applicable
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## Procurement

1. Summary of Procurement Implications: N/A
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

#### Background

- 3.1 The Community Infrastructure Levy (CIL) Regulations were amended in 2019 to include a new statutory requirement on “contribution receiving authorities” (which includes local planning authorities) to publish an Infrastructure Funding Statement (IFS) detailing the collection and spend of the CIL and planning obligations in the Borough.
- 3.2 The IFS must be published annually. The Council published its first IFS in December 2020 following approval by Development Control Committee in November 2020; the deadline for publication for this year’s statement (the second IFS published by the Council) is 31 December 2021.
- 3.3 The Council brought into effect a local CIL mechanism on 15 June 2021. The 2020/21 IFS covers the period before any local CIL has been charged and so is not reported; however, it will be covered in next year’s report. The Council still acts as the collecting authority for the Mayor of London CIL and a summary of the amounts received are reported in the IFS.

#### Infrastructure Funding Statement – December 2021

- 3.4 In 2020/21 there were 26 new S106 agreements secured (and three further Council-led developments which contained conditions for infrastructure payments) with a total potential value of £3,213,388.59. While this is a significant reduction on the total amount secured in 2019/20 (£10.4m from 17 agreements), the 2019/20 figures were inflated by a potential £6.8m to come from one development (GlaxoSmithKline, Langley Court, Beckenham). An analysis of 2018/19 data, where £1.3m was secured from 9 agreements would suggest the amount secured per agreement has generally remained constant over the last three years.
- 3.5 Income received from s106 agreements in 2020/21 totalled £474,280.80, this is compared to £3,460,315.25 received in 2019/20. This decrease is likely a result of a reduction in sites being developed during the pandemic; early indications suggest that 2021/22 will begin to return to previous levels of income, with the first quarter of 2021/22 reporting income of around £1m. Similarly, collection of Mayor of London CIL in 2020/21 dropped to £2,155,703.23 from the £3,578,343.93 received in 2019/20.
- 3.6 Expenditure of s106 sums during 2020/21 totalled £2,368,629.44, which is slightly lower than 2019/20 (£3,127,510.05). The closing balance of s106 funds at the end of 2020/21 totalled £9.2m, which is a net reduction of £1.9m from the previous year (£11.1m).
- 3.7 As per the recommendation of members of the ERC PDS Committee in October 2020, officers have been in dialogue across council services to identify a pipeline of projects for future expenditure – of the £10.3m balance currently held (as of end of July 2021), £7.3m has been ‘allocated’ for future expenditure (principally for health, schools and affordable housing). Of the remaining £3m of ‘unallocated’ funds currently held by the Council, around half was received since April 2020. Officers are continuing to identify projects for spending of funds; some amounts are tied in the s106 agreement to an identified set of site-specific works and not generally available (such as highways and parking).
- 3.8 In conclusion, while the 2020/21 IFS highlights a notable reduction in the collection of infrastructure payments, this is largely explained by a slow-down in development activity during the pandemic. Early indications of 2021/22 data suggest that income via s106 agreements may return towards the historic average in next year’s report. The 2020/21 report also highlights that there is much less ‘unallocated’ s106 amounts than has been reported in previous years.

- 3.9 In the long term, we would expect to see an overall increase in the total amount of funds collected for infrastructure – however we do not anticipate significant receipts via the Bromley local CIL until the 2022/23 report when CIL liable developments begin to be implemented (sites granted consent after 15 June 2021).

#### Infrastructure Funding Statement – future years

- 3.10 The 2021/22 report will contain information in respect of local CIL collection– the information that would need to be reported is listed in Appendix A of the proposed IFS at Appendix 1. A key requirement in future reports will be a commentary on the projects the Council intends to spend CIL towards, and a narrative distinguishing the future use of S106 from that of CIL. This work is underway, with a revised Planning Obligations Supplementary Planning Document (SPD) currently being prepared. At present the Council’s Infrastructure Delivery Plan<sup>1</sup> contains details on infrastructure requirements in the Borough across various services, and information on the types of projects that may in future be funded via CIL.
- 3.11 National Planning Practice Guidance (PPG)<sup>2</sup> seeks more narrative on the delivery of infrastructure, to provide the public with a clearer understanding of what infrastructure is being delivered or planned for delivery in the Borough. It is envisaged that future reports could contain further narrative on proposed future expenditure, in particular CIL.

## **4. POLICY IMPLICATIONS**

- 4.1 Planning obligations must only be sought where they meet the three tests set out in Regulation 122 of the CIL Regulations. The National Planning Policy Framework (NPPF)<sup>3</sup> and PPG<sup>4</sup> sets out national policy and guidance relating to planning obligations.
- 4.2 Development Plan policies play a crucial role in securing appropriate planning obligations. Policy 125 of the Local Plan (2019) sets out the Council’s approach to Section 106 agreements. The Planning Obligations Supplementary Planning Document (SPD) (2010) provides further guidance on the Council’s general approach to planning obligations, and where possible the requirements, and mechanisms for infrastructure contributions. The SPD is currently being updated to reflect the adoption of CIL and other changes.
- 4.3 Policies in the adopted London Plan also set out priorities for planning obligations, which includes affordable housing and public transport improvements.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 The production of an Infrastructure Funding Statement will be funded from the administrative proportion the Council is permitted to retain from CIL receipts.

## **6. LEGAL IMPLICATIONS**

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<sup>1</sup> The Infrastructure Delivery Plan was updated in September 2020 as part of preparation of the Borough CIL Charging Schedule. It is available here:

[https://www.bromley.gov.uk/info/1004/planning\\_policy/1179/bromleys\\_community\\_infrastructure\\_levy](https://www.bromley.gov.uk/info/1004/planning_policy/1179/bromleys_community_infrastructure_levy)

<sup>2</sup> Paragraph: 177 Reference ID: 25-177-20190901, available here: <https://www.gov.uk/guidance/community-infrastructure-levy>

<sup>3</sup> NPPF paragraphs 55-58, available here: <https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making#para55>

<sup>4</sup> PPG, Planning Obligations, available here: <https://www.gov.uk/guidance/planning-obligations>

- 6.1 Regulation 121A of the Community Infrastructure Levy Regulations 2010 (as amended) requires the publication of an IFS by 31 December each year, reporting planning obligations data from the preceding financial year. Schedule 2 of the regulations sets out the information to be contained in the IFS, while the PPG provides guidance on the how the Council should seek to provide such information.

<p><b>Non-Applicable Sections:</b></p>	<p>IMPACT ON VULNERABLE ADULTS AND CHILDREN</p> <p>PERSONNEL IMPLICATIONS</p> <p>PROCUREMENT IMPLICATIONS</p>
<p>Background Documents: (Access via Contact Officer)</p>	<p>Bromley Local Plan 2019 - <a href="https://www.bromley.gov.uk/download/downloads/id/4768/bromley_local_plan.pdf">https://www.bromley.gov.uk/download/downloads/id/4768/bromley_local_plan.pdf</a></p> <p>Bromley CIL documents (including CIL Charging Schedule and Infrastructure Delivery Plan) <a href="https://www.bromley.gov.uk/info/1004/planning_policy/1179/bromleys_community_infrastructure_levy">https://www.bromley.gov.uk/info/1004/planning_policy/1179/bromleys_community_infrastructure_levy</a></p> <p><u>Infrastructure Funding Statement December 2020, available from:</u> <a href="https://www.bromley.gov.uk/download/downloads/id/6668/bromley_infrastructure_funding_statement_201920.pdf">https://www.bromley.gov.uk/download/downloads/id/6668/bromley_infrastructure_funding_statement_201920.pdf</a></p> <p><u>Development Control Committee report, 19 November 2020, 'INFRASTRUCTURE FUNDING STATEMENT', available from:</u> <a href="https://cde.bromley.gov.uk/documents/s50084649/Infrastructure%20Funding%20Statement%202020.pdf">https://cde.bromley.gov.uk/documents/s50084649/Infrastructure%20Funding%20Statement%202020.pdf</a></p>