



Sandwell
Metropolitan Borough Council

Sandwell Infrastructure Funding Statement (IFS)

2023

What is the Infrastructure Statement?

The Infrastructure Funding Statement (IFS) sets out the year's income and expenditure relating to the Community Infrastructure Levy (CIL) and Section 106 (S106) agreements for 2022/2023.

Councils are now required to produce an infrastructure funding statement on an annual basis, as a result of recent changes to government legislation¹.

Infrastructure is paid for in several different ways, for example via:

- Site specific requirements – through legal agreements with developers of specific sites (known as Section 106 agreements);
- Community Infrastructure Levy – a levy on certain types of new development;

Sandwell Council has been collecting payments for infrastructure through the Community Infrastructure Levy since April 2015.

¹ <https://www.gov.uk/guidance/community-infrastructure-levy#monitoring-and-reporting-on-cil-and-planning-obligations>

INTRODUCTION

1. Infrastructure Funding Statement

1.1 As a result of changes to the Regulations implemented through the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019² (which came into force on 1 September 2019), authorities will now need to increase transparency for communities, by reporting on what they have received and spent through CIL and developer contributions, and include information for the following year on CIL allocation. Changes to the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019) has:

- removed the restriction on pooling more than 5 planning obligations towards a single piece of infrastructure;
- deletes the Regulation 123 List; and
- allows authorities to choose to pool funding from different routes to fund the same infrastructure, provided that authorities set out in their infrastructure funding statements which infrastructure they expect to fund through the levy and through planning obligations.

1.2 Each calendar year (by 31st December) the Council is required to publish an Infrastructure Funding Statement in relation to the next calendar year detailing the infrastructure projects or types of infrastructure which it intends will be wholly or partly funded by CIL.

1.3 This Statement (IFS) identifies the infrastructure projects or types of infrastructure which Sandwell Council intends will be, or may be, wholly or partly funded by the Community Infrastructure Levy.

1.4 Funding for the delivery of infrastructure will be sought by the Council from multiple sources over several years. Developer contributions can be provided in several ways:

- Through planning conditions – to make development acceptable that would otherwise be unacceptable.
- Through planning obligations in the form of Section 106 agreements – where it is not possible to address unacceptable impacts through a planning condition.
- Through the Community Infrastructure (CIL) – a fixed charge levied on new development to fund infrastructure.

1.5 It is generally expected that Developer Contributions: CIL and Planning Obligation (Section 106) will only provide a contribution to funding infrastructure costs. Alongside this funding there are mainstream sources of funding available to support delivery including sources of funding for education, transport, and utilities infrastructure.

² <http://www.legislation.gov.uk/ukdsi/2019/9780111187449>

2. DEVELOPER CONTRIBUTIONS

Section 106 Planning Obligations

- 2.1 Under section 106 (s106) of the Town and Country Planning Act 1990 a Local Planning Authority (LPA) can seek obligations, both physically on-site and contributions for off-site provision, when it is considered that a development will have negative impacts that cannot be dealt with through conditions in the planning permission.
- 2.2 For example, new residential developments place additional pressure on existing social, physical and economic infrastructure in the surrounding area. Planning obligations aim to balance this extra pressure with improvements to the surrounding area to ensure that a development makes a positive contribution to the local area.
- 2.3 The obligations may be provided by the developers “in kind”– that is, where the developer builds or provides directly the matters necessary to fulfil the obligation. This might be to build a certain number of affordable homes on-site, for example. Alternatively, planning obligations can be met in the form of financial payments to the Council to provide off-site infrastructure works or contributions towards providing affordable housing elsewhere in the Borough. In some cases, it can be a combination of both on-site provision and off-site financial contributions.
- 2.4 Sandwell MBC has historically sought financial contributions for the following areas:
- Public Open Space Improvements;
 - Highways Improvements;
 - Environment Improvements.
- 2.5 Regulations state that a planning obligation may only constitute a reason for granting planning permission for the development if the obligation is:
- necessary to make the development acceptable in planning terms;
 - directly related to the development; and
 - fairly and reasonably related in scale and kind to the development.
- 2.6 Sandwell Council’s requirements for s106 planning obligations are set out in the Council’s adopted Site Allocations and Delivery DPD³. Additional guidance is available in the Planning Obligations Supplementary Planning Document⁴

³ https://www.sandwell.gov.uk/downloads/file/4328/site_allocations_and_delivery_dpd_december_2012

⁴

https://www.sandwell.gov.uk/downloads/download/1958/planning_obligations_supplementary_planning_document_august_2015

Community Infrastructure Levy

- 2.7 Unlike s106 obligations, CIL is intended to fund more generalised, strategic infrastructure requirements across the Borough in order to support new development. It is a mechanism to secure financial contributions from developers on certain viable developments and CIL monies can be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area.
- 2.8 CIL Rates must be set out via a published charging schedule and the Council's latest charging schedule was implemented in April 2015. Further information can be found on the Council's webpage⁵.

Section 278 Highway Agreements

- 2.9 Section 278 agreements (s278) under the Highways Act 1980 are legally binding agreement between the Local Highway Authority (Sandwell Council) and the developer to ensure delivery of necessary highway works as a result of new development.
- 2.10 It may allow for items such as:
- Roundabouts;
 - Priority junctions;
 - Junctions with traffic lights
 - Right turn lanes;
 - Improved facilities or pedestrians and cyclists;
 - Improvements to existing junctions;
 - Traffic calming measures.

3. S106 CONTRIBUTIONS

- 3.1 The total amount of S106 monies held by the Council on 31st March 2023 was £2,730,703.34

Table 1: Total committed S106 monies remaining held by the Council at 31st March 2023

Money held 31 st March by allocation	Amount Held
Open Space	£1,176,854.40
Affordable Housing	£1,236,989.98
Environmental Health	£32,016.90
Highways	£284,842.06
Total	£2,730,703.34

⁵ https://www.sandwell.gov.uk/info/200317/planning_policy/3236/sandwell_community_infrastructure_levy_cil

3.2 As at 31st March 2023, there were no monies transferred to external bodies.

3.3 Financial contributions agreed in 2022/23 through S106 Agreements

There was one S106 agreement agreed that contained financial contributions made in 2022/2023.

Table 2: Section 106 agreements with financial contributions

Planning Application No.	Address
DC/21/66365 & DC/22/66482	Land at Brandon Way, West Bromwich

3.4 Monies received in 2022/2023 to be spent by the Council

There was £277,580.90 income received by the Council in 2022-2023.

Table 3: Section 106 income received

Allocation	Amount Received
Highways	£104,092.84
Highways	£173,488.06
Total	£277,580.90

3.5 S106 monies spent in 2022/23 by the Council

A total of £823,293.72 was spent by the Council during in the 2022-2023 financial year as shown below.

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Table 4: Total S106 monies spent in 2022-2023

Application No	Spent	Date of Approval	Reason
DC/10/52848	£193,069.00	27.07.2022	Affordable Housing
DC/10/52848	£26,459.22	27.07.202	Affordable Housing
DC/10/52848	£20,388.96	27.07.2022	Affordable Housing
DC/14/57470	£336,217.00	27.07.2022	Affordable Housing
DC/10/52747	£11,625.54	27.02.2022	Environmental Health
DC/08/49007	£90,600.00	27.07.2022	Affordable Housing
DC/18/62111	£75,000.00	10.10.2022	Affordable Housing
DC/05/44045	£430.34	10.10.2022	Affordable Housing
DC/15/58921	£69,503.66	10.10.2022	Affordable Housing
Total	£823,293.72		

4 SECTION 278 PROJECTS IN 2022/23

4.1 The following table sets out the works carried in the Borough under s278 agreements in the 2022/23 monitoring year.

Table 5: S278 Projects – Based on Agreements completed in 2022/23 Monitoring Period

Development Site	Agreement Date	Scheme Value
King Street, Wednesbury	15/06/2022	£27,000
Hall Green Road, West Bromwich	28/07/2022	£38,400
Britannia Road, Rowley Regis	21/09/2022	£25,000
Lower City Road, Tipton	10/11/2022	£22,800

4.2 Table 6 below sets out the s278 highway works to be delivered as part of future developments in the Borough which will be implemented should development progress as planned.

Table 6: Committed S278 Projects in future years – Based on Technical Approvals served in or after 2022/23 Monitoring Period.

Development Site	Technical Approval Date	Scheme Value
Clifton Lane, West Bromwich	05/04/2022	£18,000
Simpson Street, Oldbury	08/06/2022	£7,000
Pottery Road, Oldbury	07/07/2022	£24,700
Leabrook Road, Tipton	22/08/2022	£38,000
Whitehall Road, Great Bridge	15/09/2022	£24,700
Perrott Street, Smethwick	07/12/2022	£92,000
Stanhope Road, Smethwick	19/12/2022	£67,000
Woods Lane, Cradley Heath	11/01/2023	£45,500
West End Avenue, Smethwick	18/04/2023	£40,300
Alexandra Road, Tipton	24/04/2023	£24,700
Hawes Lane, Rowley Regis	09/06/2023	£58,500
Crosswells Road, Oldbury	13/07/2023	£22,100
Payne Street, Blackheath	17/07/2023	£31,200
Tramway, Oldbury	31/08/2023	£26,000

Please note - Scheme values are the estimated costs of works required. Sites have surety provision for this value within the Agreement in the event that the Authority need to recover monies against the Agreement to complete works where the Developer fails to perform. The Authority are typically only in receipt of 10% of these values for works supervision costs

5 COMMUNITY INFRASTRUCTURE LEVY (CIL) CONTRIBUTIONS

5.1 By the 31st March 2022 a total of £3,379,787.94 receipts had been received as shown in Table below.

Table 7: CIL receipts received by 31st March 2022

Year	CIL Income Received	5% Admin	15% Neighbourhood Funding	80% for Reg 123 funding allocation
2015/2016	£136,073.16	£6,803.62	£20,411.00	£108,858.54
2016/2017	£444,073.88	£22,203.66	£66,611.09	£355,259.13
2017/2018	£319,533.34	£15,976.32	£47,930.07	£255,626.95
2018/2019	£677,162.35	£33,858.08	£101,574.41	£541,729.86
2019/2020	£609,402.28	£30,470.06	£91,410.37	£487,521.85
2020/2021	£252,134.25	£12,606.71	£37,820.11	£201,707.43
2021/2022	£941,408.68	£47,070.48	£141,211.29	£753,126.91
Total	£3,379,787.94	£168,988.93	£506,968.34	£2,703,830.67

5.2 As of 31st March 2022, £79,131.56 monies had been allocated or passed to other parties.

The total amount of CIL carry forward to 2022-2023 financial year was £3,300,656.38.

Table 8: Total CIL Receipts received in 2022-2023

Year	CIL Income Received	5% Admin	15% Neighbourhood Funding	80% for Reg 123 funding allocation
2022/2023	£327,241.65	£16,362.09	£49,086.25	£261,793.31
Total	£327,241.65	£16,362.09	£49,086.25	£261,793.31

5.3 CIL retained at the end of 2022-2023 financial year

The total amount of CIL monies retained at the end of 2022-2023 was £3,627,898.03.

5.4 CIL receipts spent in 2022-2023

As well as the 5% Admin, a total of £58,170.92 was allocated and sent to other parties.

Table 9 – Amount of CIL receipts spent in 2022-2023

Date	Project	Spend
28.02.2023	AGE UK Sandwell, Purchase of 2 bowls mats	£1,610.00
29.03.2023	St James Church, Youth Club Equipment	£4,786.50
03.08.2022	Special Olympics Sandwell - Aim High & Achieve	£2,960.93
04.08.2022	Bearwood Road Allotments - Replacement of Roof	£4,320.00
24.11.2022	St Johns Community Centre - Replacement of 2 doors	£1,237.03
06.01.2023	SPMA - Tablets and Covers	£2,756.88
28.02.2023	Sur Sangam Music & Arts - Musical Instruments & Equipment	£1,431.69
08.04.2022	St Matts Church - mini mats	£2,354.93
21.07.2022	Golden Opportunities - ICT	£2,939.67
13.01.2023	Toll End Over 50's - Thursday Afternoon Club	£507.85
14.07.2022	Friends of Mary McArthur Gardens, Gardening Tools and equipment	£1,409.47
17.02.2023	Oakham Evangelical Church - Community Gardens Equipment	£4,797.48
06.07.2022	Francis Church - Church Hall Refurbishments	£2,914.33
08.08.2022	Wodensborough ABC - Boxing and Gym Equipment	£4,144.00
15.08.2022	Sons of Rest - Banquet Chairs	£1,153.60
23.08.2022	Friends of Goldcroft Park - Sporting and Events Equipment	£914.57
22.11.2022	Breakthru - Counselling Furniture	£1,247.00
09.06.2022	CoBo - Greets Green Resource Centre - New Tables	£4,089.00
08.06.2022	Visually Impaired - Special ICT Equipment	£1,597.84
13.07.2022	CADS - Replacement of stage lighting	£4,309.55
07.10.2022	Yew Tree & Tamebridge Community Centre	£3,919.75

23.11.2022	Midland Langer Seva Society - Gazebo, barriers & kitchen equipment	£2,768.85
	TOTAL	£58,170.92

5.5 Total value of demand notices issued in 2022-2023

National guidance suggests that Councils should consider reporting on estimated future income where possible. Table 10 shows the number of demand notices issued in the 2022-2023 financial year and the contribution required from each planning application which totalled £186,987.94. This provides an indication of how much CIL funding could be paid to the Council in future financial years.

Table 10: Summary of total demand notices issued between 2022-2023

Planning Application No.	Address	CIL – Demand Notice	Date
DC/17/61155	Land adj 147 Horseley Road, Tipton	£7,337.30	09.08.2022
DC/18/61923	Site of former Stone Cross N.O., Clifton Lane, West Bromwich	£34,469.72	01.07.2022
DC/18/62494	Former Lockup garages site rear of 8 to 10 Sunnyside, Oldbury - Plot 1 only	£3,387.07	05.04.2022
DC/19/62835	Car Park Junction, Piddock Road, Crocketts Lane, Smethwick	£40,460.69	25.08.2022
DC/19/63029	576 Bearwood Road, Smethwick	£1,837.01	05.04.2022
DC/19/63252	204 Halesowen Road, Cradley Heath	£7,413.84	31.08.2022
DC/19/63479	Pheasant Inn, 273 Abbey Road, Smethwick	£41,462.60	15.07.2022
DC/19/63614	Land adj 60 Mincing Lane, Rowley Regis	£2,977.00	30.05.2022
DC/19/63688	Land adj to 67 Menin Road, Tipton	£3,437.09	27.06.2022
DC/20/64188	40 Wood Green Road, Wednesbury	£15,185.35	03.08.2022
DC/20/64440	22-24 Lower High Street, Wednesbury	£10,874.42	23.12.2022
DC/20/64475	30 High Street, Rowley Regis	£718.49	01.02.2023
DC/20/64598	Land adj 63 Leabrook Road, Wednesbury	£16,262.79	03.08.2022
DC/21/65488	54 Hope Street, West Bromwich	£480.14	02.09.2022
DC/21/65800	Land at the Phoenix Martly Road, Oldbury	£4,321.26	21.11.2022
DC/21/65860	19 Westmorland Road, WB	£294.28	31.08.2022
DC/21/65966	3 Bull Street, West Bromwich	£16,747.67	30.11.2022
DC/21/66185	54 St James Road, Oldbury	£2,509.30	12.09.2022
DC/21/66223	50 George Avenue, Rowley Regis	£2,500.00	12.09.2022
DC/21/66249	Side of 2 Arran Close, Great Barr	£5,498.37	17.01.2023
DC/21/66392	26 Waterfall Lane, Cradley Heath	£5,366.05	27.06.2022
DC/21/66465	3-5 St Pauls Road, Smethwick	£1,042.33	05.04.2022
DC/22/66510	114 Birmingham Road, Great Barr	£2,500.00	07.02.2023
DC/22/66565	Site of 27 Chester Road, Cradley Heath	£7,239.73	25.08.2022
DC/22/66651	12 St Pauls Court, Brunswick Park Road, Wednesbury	£3,783.26	25.08.2022

DC/22/66817	Land at the junction of Alexandra Road, Spring Street, Tipton	£32,080.47	20.03.2023
DC/22/66951	610 Bearwood Road, Smethwick	£2,708.50	24.03.2023
DC/22/67204	7 Park Retreat, Smethwick	£2,161.86	20.02.2023
DC/22/67236	29 Meyrick Road, West Bromwich	£2,740.93	16.11.2022
DC/22/67378	44-46 Cape Hill Street, Smethwick	£27,863.37	01.02.2023
DC/22/67471	Land adjacent to Cock Inn, Dudley Road, Rowley Regis	£7,991.16	25.11.2022
DC/22/67481	568 Bearwood Road, Smethwick	£525.02	22.12.2022
DC/22/67642	22-24 Lower High Street, Wednesbury	£9,168.60	23.12.2022
DC/22/67812	Knowle House, 2a Hill Lane, West Bromwich	£8,449.83	07.02.2023

5.6 CIL Spending Process

The CIL Regulations require that CIL receipts are split into 3 categories, as follows;

Table 9: CIL Receipt Split

Capital and Revenue Infrastructure Funding	80%
Neighbourhood Funding	15% (capped at £100 per dwelling place)
Administrative Expenses	Up to 5%

Neighbourhood Funding portion of CIL

5.7 Cabinet approved the process for the allocation and spend of Neighbourhood Funding Portion at its meeting on the 4th March 2020. A flow chart of the process is set out in Appendix 1.

5.8 The Neighbourhood Funding Portion (NFP) of CIL is required to be spent in consultation with the community using existing community consultation and engagement processes.

5.9 Amount of CIL spent on administration costs

A total of £16,362.09 was received for CIL administration, all of which has been spent on that purpose. It should be noted that this amount does not cover the total cost of delivering the Council's CIL administration service during 2022-2023.

5.10 Infrastructure Projects 2023-2024

There will be an early review in 2024 to set out projects that CIL can fund.

APPENDIX 1

Town Grants Procedure (Community Infrastructure Levy Fund – CIL)

