



**Sandwell**  
Metropolitan Borough Council

# Sandwell Infrastructure Funding Statement (IFS)

2024

## 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 2023/2024.

Councils are now required to produce an infrastructure funding statement on an annual basis, as a result of recent changes to government legislation<sup>1</sup>.

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.

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<sup>1</sup> <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 2019<sup>2</sup> (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.

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<sup>2</sup> <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 DPD<sup>3</sup>. Additional guidance is available in the Planning Obligations Supplementary Planning Document<sup>4</sup>

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<sup>3</sup> <https://www.sandwell.gov.uk/downloads/download/348/site-allocations-and-delivery-development-plan-document-sad-and-policies-map>

<sup>4</sup> <https://www.sandwell.gov.uk/downloads/download/416/planning-obligations-supplementary-planning-document>

## 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 webpage<sup>5</sup>.

## 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 31<sup>st</sup> March 2024 was £2,485,917.61.

Table 1: Total committed S106 monies remaining held by the Council at 31<sup>st</sup> March 2024

Money held 31 <sup>st</sup> March by allocation	Amount Held
Open Space	£919,665.18
Affordable Housing	£1,236,989.98
Environmental Health	£527.62
Highways	£328,734.83
<b>Total</b>	<b>£2,485,917.61</b>

<sup>5</sup> <https://www.sandwell.gov.uk/planning/planning-policy/4>

3.2 As at 31<sup>st</sup> March 2024, there were no monies transferred to external bodies.

### 3.3 Financial contributions agreed in 2023/24 through S106 Agreements

There was four S106 agreement agreed that contained financial contributions made in 2023/2024.

Table 2: Section 106 agreements with financial contributions

Planning Application No.	Address
DC/22/67165	London Street, Smethwick
DC/21/66125	Newcomen Drive, Tipton
DC/22/66968	1 Turners Hill, Rowley Regis
DC/23/68220	Grove Lane, Smethwick

### 3.4 Monies received in 2023/2024 to be spent by the Council

There was £142,405.23 income received by the Council in 2023-2024.

Table 3: Section 106 income received.

Allocation	Amount Received
Highways	£43,892.77
Leisure	£98,512.46
<b>Total</b>	<b>£142,405.23</b>

### 3.5 S106 monies spent in 2023/24 by the Council

A total of £273,204.28 was spent by the Council during in the 2023-2024 financial year as shown below.

Table 4: Total S106 monies spent in 2023-2024

Application No	Spent	Date of Approval	Reason
DC/10/52747	£8,243.73	11.04.2023	Environmental Health
DC/10/52987	£18,667.97	11.04.2023	Environmental Health
DC/08/49405	£88,606.31	07.06.2023	Leisure
DC/04/42703	£19,193.44	07.06.2023	Leisure
DC/12/55069	£25,629.16	08.06.2023	Leisure
DC/06/45826	£3,947.23	07.06.2023	Leisure
DC/12/55176	£27,121.42	07.06.2023	Leisure
DC/05/45555	£14,516.72	07.06.2023	Leisure
DC/09/51606	£5,666.90	07.06.2023	Leisure
DC/10/52897	£4,577.58	20.07.2023	Environmental Health
DC/13/55690	£2,664.39	07.12.2023	Leisure
DC/13/55690	£21,377.35	07.12.2023	Leisure

DC/12/55176	£20,313.21	23.01.2024	Leisure
DC/12/55069	£12,678.87	06.02.2024	Leisure
<b>Total</b>	<b>£273,204.28</b>		

## 4 SECTION 278 PROJECTS IN 2023/24

4.1 The following table 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 5: S278 Projects – S278 Agreements signed in year 2023/24 for committed works (still in the Agreement process)

Development Site	Agreement Date	Scheme Value
Woods Lane, Cradley Heath	20/09/23	£45,500
Pottery Road, Oldbury	24/10/24	£24,700
Leabrook Road, Tipton	21/02/24	£38,000
Perrott Street, Smethwick	20/7/23	£92,000
Whitehall Road, Oldbury	26/10/23	£24,700
Simpson Street, Oldbury	27/10/23	£7,000
Alexandra Road, Tipton	24/10/23	£24,700

4.2 Table 6: S278 Agreements completed in 2023/24

Development Site	Completion Date
Beacon View Road, West Bromwich	25/10/2023
Lewisham Road, Smethwick	21/09/2023
Mill Lane, Oldbury	04/12/2023

**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 31<sup>st</sup> March 2024 a total of £3,707,029.59 receipts had been received as shown in Table below.

Table 7: CIL receipts received by 31<sup>st</sup> March 2023

Year	CIL Income Received	5% Admin	15% Neighbourhood Funding	80% for Reg 123 funding allocation
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<b>2015/2016</b>	£136,073.16	£6,803.62	£20,411.00	£108,858.54
<b>2016/2017</b>	£444,073.88	£22,203.66	£66,611.09	£355,259.13
<b>2017/2018</b>	£319,533.34	£15,976.32	£47,930.07	£255,626.95
<b>2018/2019</b>	£677,162.35	£33,858.08	£101,574.41	£541,729.86
<b>2019/2020</b>	£609,402.28	£30,470.06	£91,410.37	£487,521.85
<b>2020/2021</b>	£252,134.25	£12,606.71	£37,820.11	£201,707.43
<b>2021/2022</b>	£941,408.68	£47,070.48	£141,211.29	£753,126.91
<b>2022/2023</b>	£327,241.65	£16,362.09	£49,086.25	£261,793.31
<b>Total</b>	<b>£3,707,029.59</b>	<b>£185,351.02</b>	<b>£556,054.59</b>	<b>£2,965,623.98</b>

5.2 As of 31<sup>st</sup> March 2023, £58,170.92 monies had been allocated or passed to other parties. The total amount of CIL carry forward to 2023-2024 financial year was £3,648,858.67.

Table 8: Total CIL Receipts received in 2023-2024

<b>Year</b>	<b>CIL Income Received</b>	<b>5% Admin</b>	<b>15% Neighbourhood Funding</b>	<b>80% for Reg 123 funding allocation</b>
<b>2023/2024</b>	£443,824.97	£23,132.38	£66,425.19	£354,267.40
<b>Total</b>	£443,824.97	£23,132.38	£66,425.19	£354,267.40

### 5.3 CIL retained at the end of 2023-2024 financial year

The total amount of CIL monies retained at the end of 2023-2024 was £4,092,683.65.

### 5.4 CIL receipts spent in 2023-2024

As well as the 5% Admin, a total of £96,297.43 was allocated and sent to other parties.

Table 9 – Amount of CIL receipts spent in 2023-2024

<b>Date</b>	<b>Project</b>	<b>Spend</b>
28.04.2023	Sandwell Air Scouts, Tents and Catering Equipment	£2,533.22
10.05.2023	The Salvation Army - Youth Club Equipment	£3,423.96
16.05.2023	Central (& Woods) - Catering Equipment	£2,973.88
31.05.2023	Ideal for All - Purchase of polytunnel	£3,984.01
05.06.2023	Tipton C. Association - Afterschool Club	£3,288.43
06.06.2023	Hamstead Over 60's Club - Games	£1,331.36
13.06.2023	Smethwick Youth C. Centre - Smethwick Gardening Club	£3,494.56
26.06.2023	Wernley Bowling Club - Mower	£4,784.50
29.06.2023	Open Heaven Church, Chairs & Partition Doors	£4,096.00



06.07.2023	Friar Park Allotment Association - Portaloo	£1,500.00
12.07.2023	Warley Amateur boxing - boxing equipment	£4,048.27
18.07.2023	Lion Farm Action Centre, Ramp and Rails	£3,000.00
20.07.2023	SICA, Electronic Whiteboard	£2,776.80
25.07.2023	VISAMO - Games, Exercise Equipment & Musical Instruments	£1,485.13
08.08.2023	Lets Dance Again, Catering & Digital Equipment	£4,414.94
09.08.2023	Sandwell Deaf Community Association, Stay, play for deaf parents and children	£2,047.86
16.08.2023	Oakham Community Club - Catering equipment and games for over 55s	£1,225.83
21.08.2023	Wednesbury Cultural Hub, Play Group	£2,633.52
22.08.2023	Tibby TRA, Garden Project	£2,740.77
07.09.2023	Sandwell Churches Link, Clothes Bank	£4,955.00
08.09.2023	Old Cross Bowling Club, Greens Equipment	£3,679.94
20.09.2023	Our Lady of Lourdes, Foodshare Secure Shelving	£3,583.44
16.10.2023	European Welfare Association CIC- Storage Bank for Food	£4,039.38
20.12.2023	St John Youth Club, Afterschool homework Club	£2,162.89
26.01.2024	Friar Park Millenium Centre - FPMC IT & Internet Suite	£2,929.49
31.01.2024	St Hildas Church PCC, Paints and Materials to redecorate	£2,562.20
01.02.2024	Kings Community Church, Materials for Uniform Bank	£1,127.98
01.02.2024	Jubilee Park Community Centre - Play and Stay	£1,096.91
06.02.2024	Lodge Community Centre, New Chairs and Tables	£4,866.48
06.02.2024	Friends of Bromwich Hall Museum, New Equipment	£4,134.95
12.03.2024	Ileys Community Association, 12 computers	£4,428.00
20.03.2024	Deam Live Achieve Academy CIC, iPad, Microphone equipment	£947.73
	<b>TOTAL</b>	<b>£96,297.43</b>

## 5.5 Total value of demand notices issued in 2023-2024

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 2023-2024 financial year and the contribution required from each planning application which totalled £496,724.51. 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 2023-2024

Planning Application No.	Address	CIL – Demand Notice	Date
DC/23/67844	10A Abbey Road, Smethwick	£701.74	03 April 2023
DC/22/67732	104 Arthur Road, Tipton	£1,213.60	17 April 2023

DC/23/67921	6-8 Cape Hill, Smethwick	£2,414.83	17 April 2023
DC/22/67278	1 Ryders Green Road, West Bromwich	£2,030.60	24 April 2023
DC/20/64027	Site of Former Royal Oak Pub, 257-259 Whitehall Road, Tipton	£29,935.74	28 April 2023
DC/22/67611	456-458 Hagley Road West, Oldbury	£4,709.77	28 April 2023
DC/22/66623	54 Park Avenue, Rowley Regis	£2,779.53	28 April 2023
DC/22/67758	Rear garden of 2 Knottsall Lane, Oldbury	£3,054.65	23 May 2023
DC/22/67307	Land to the rear of St Michaels Crescent, Oldbury	£4,632.56	25 May 2023
DC/20/65039	The New Talbot, 41 Black Lake, WB	£29,644.74	03 July 2023
DC/23/68189	269 Bearwood Road, Smethwick	£570.48	21 July 2023
DC/23/68301	Land adj 20 Spring Head, Wednesbury	£1,527.33	21 July 2023
DC/23/68208	42 Corbett Street, Smethwick	£2,740.36	09 August 2023
DC/22/66747	409 Bearwood Road, Smethwick	£32,115.12	15 August 2023
DC/21/66339	Fountain Lane, Oldbury	£40,932.51	31 August 2023
DC/21/65830	166 Walsall Road, West Bromwich	£11,433.95	07 September 2023
DC/22/67161	1 Dunsford Road, Smethwick	£374.28	25 September 2023
DC/22/67166	Victoria Inn, 32 Lyng Lane, West Bromwich	£19,486.05	25 September 2023
DC/22/67132	Land to rear of 154 & 156 Hallam Street, West Bromwich	£4,709.77	05 October 2023
DC/22/67792	Metro House, 410 High Street, West Bromwich	£22,559.01	05 October 2023
DC/22/66859	396 - 400 High Street, West Bromwich	£10,971.97	06 October 2023
DC/23/67922	Highcroft House, 51 New Birmingham Road, Oldbury	£1,250.96	11 October 2023
DC/23/68318	Land at the junction of Peartree Lane, Petford Street, CH	£37,551.57	12 October 2023
DC/22/67837	Land adj 181 Hales Crescent, Smethwick	£772.74	18 October 2023
DC/20/64047	Site of Coach and Horses Public House, 194 High Street, Tipton	£8,291.74	04 December 2023
DC/22/67797	Site of 30-144 Mounts Road, Wednesbury	£159,089.53	08 January 2024
DC/23/68339	217 Halesowen Road, Cradley Heath	£3,921.51	11 January 2024
DC/21/65438	686 Wolverhampton Road, Oldbury	£8,125.17	31 January 2024
DC/23/68919	8 Messenger Road, Smethwick	£2,635.99	29 February 2024
PD/21/01713	6a Halesowen Street, Rowley Regis	£2,512.99	14 March 2024
DC/21/65745	9-17 Victoria Street, WB	£32,796.63	21 March 2024
DC/23/68681	509-511 Bearwood Road, Smethwick	£9,287.79	21 March 2024
DC/24/69049	130 Cape Hill, Smethwick	£1,949.30	21 March 2024
	<b>TOTAL</b>	<b>£496,724.51</b>	

## 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%
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 4<sup>th</sup> 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**

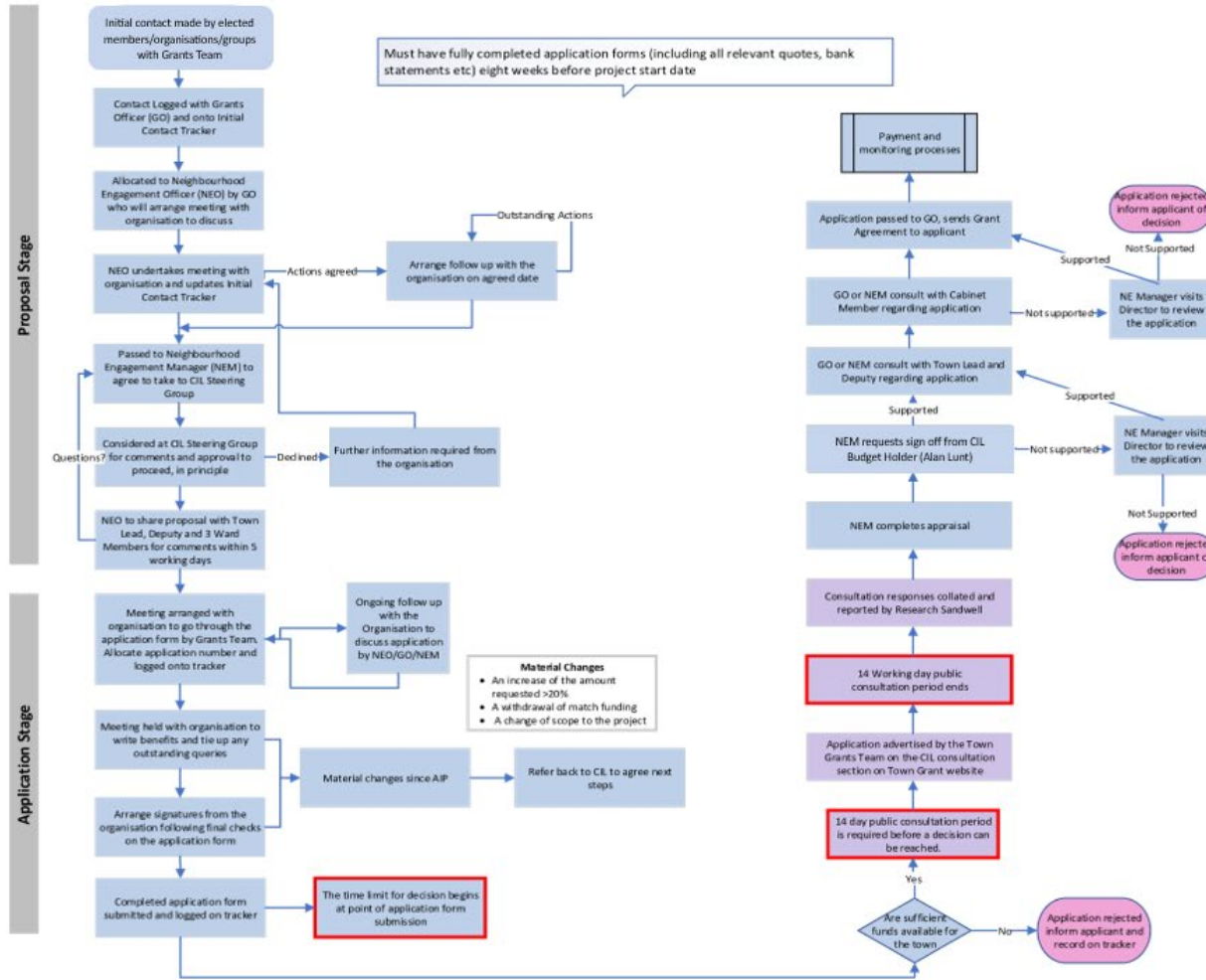
A total of £23,132.38 was received for CIL administration, all of which has been spent on that purpose. It should be noted that this amount does not cover the total cost of delivering the Council's CIL administration service during 2023-2024.

### **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)



November 2024