



Sandwell
Metropolitan Borough Council

Sandwell Infrastructure Funding Statement (IFS)

2021

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 2020/21.

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 2021 was £3,159,879.92.

Table 1: Total committed S106 monies remaining held by the Council at 31st March 2021

Money held 31 st March by allocation	Amount Held
Open Space	£1,135,685.92
Affordable Housing	£1,973,658.16
Environmental Health	£43,642.44
Planning	£32,229.45
Highways	£7,261.16
Total	£3,192,477.13

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

3.2 As at 31st March 2021, there were no monies transferred to external bodies.

3.3 Financial contributions agreed in 2020/21 through S106 Agreements

There were no Section 106 agreements agreed that contained financial contributions made in 2020/2021.

3.3 Monies received in 2020/2021 to be spent by the Council

There was no S106 income received by the Council in 2020-2021.

3.4 S106 monies spent in 2020/2021 by the Council

A total of £6,167.55 was spent by the Council during in the 2020-2021 financial year as shown below.

Table 2: Total S106 monies spent in 2020-2021

Application No	Spent	Date of Approval	Reason
DC/05/45017	£2,637.96	19.11.2020	Leisure
DC/05/45017	£3,529.59	26.11.2020	Leisure
Total	£6,167.55		

4 SECTION 278 PROJECTS IN 2020/21

4.1 The following table sets out the works carried in the Borough under s278 agreements in the 2020/21 monitoring year.

Table 3: S278 Projects – Based on Agreements completed in 2020/21 Monitoring Period

Development Site	Agreement Date	Scheme Value
Little Moor Hill, Smethwick	4/6/20	£21,000
Seven Stars Road, Oldbury	16/6/20	£24,000
Thompson Road, Oldbury	18/6/20	£91,000
Woods Lane, Cradley Heath	17/9/20	£65,000
New Swan Lane, West Bromwich	17/11/20	£26,000
John Street North, Hateley Heath	3/12/20	£34,000
Moor Lane, Rowley Regis	19/1/21	£22,000

4.2 Table 4 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 4: Committed S278 Projects in future years – Based on Technical Approvals served in or after 2020/21 Monitoring Period.

Development Site	Technical Approval Date	Scheme Value
Chester Road, Cradley Heath	16/4/20	£28,000
Carrington Road, West Bromwich	29/3/21	£166,250
Church Hill Road, Smethwick	5/7/21	£33,000
Britannia Street, Rowley Regis	20/9/21	£25,000

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 2020 a total of £2,190,198.93 receipts had been received as shown in Table below.

Table 5: CIL receipts received by 31st March 2020

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	£613,356.20	£30,667.76	£92,003.46	£490,684.98
Total	£2,190,198.93	£109,509.44	£328,530.03	£1,752,159.46

5.2 As of 31st March 2020, no monies had been allocated or passed to other parties. The total amount of CIL carry forward to 2020-2021 financial year was £2,190,198.93.

Table 6: Total CIL Receipts received in 2020-2021

Year	CIL Income Received	5% Admin	15% Neighbourhood Funding	80% for Reg 123 funding allocation
2020/2021	£252,134.25	£12,606.71	£37,820.11	£201,707.43
Total	£252,134.25	£12,606.71	£37,820.11	£201,707.43

5.3 CIL retained at the end of 2020-2021 financial year

The total amount of CIL monies retained at the end of 2020-2021 was £2,442,333.18.

5.4 CIL receipts spent in 2020-2021

As well as the 5% Admin, a total of £46,682.95 was allocated and sent to other parties.

Table 7 – Amount of CIL receipts spent in 2020-2021

Date	Project	Spend
23.03.2021	Oldbury - Stepway Community Garden Project	£4,250.00
22.09.2020	Smethwick - North Smethwick Development Trust, Your Local Pantry Project,	£2,577.82
30.11.2020	Smethwick - Deaf World, Cricket Equipment,	£2,250.34
22.02.2021	Smethwick - Cape Community Day Centre, Purchase of kitchen and safety equipment	£3,832.98
04.02.2021	Smethwick – African French Speaking Community Centre, Purchase of ICT equipment	£3,358.74
19.03.2021	Smethwick – West Smethwick Enterprise Centre, Home Learning/Resources Packs	£2,449.09
30.03.2021	Smethwick – Singh Sabha FC, Purchase of football equipment	£1,568.13
08.02.2021	Rowley Regis – Bumble Hole Conservation Group, Purchase of tools and safety equipment	£1,023.94
04.02.2021	Rowley Regis – Disability Centre, Security upgrades to the building	£3,166.00
25.11.2020	Tipton – William Perry ABC, Funding for boxing equipment	£3,317.98
31.03.2021	Life in Community CIC, Funding for Life Works Programme	£4,309.99
14.10.2020	Wednesbury - Skyforce FC, Football equipment	£975.69
09.11.2020	Wednesbury - St James Youth Club equipment	£3,917.05
22.09.2020	West Bromwich – West Bromwich African Caribbean Resource Centre, Supply and fit of external shutters	£3,500.00
11.03.2021	West Bromwich - Litterwatch, Supply and fit materials to wooden cabins	£2,685.20

17.03.2021	West Bromwich – Dartmouth Cricket Club (and Bowling Club), Supply and fit external pathway	£3,500.00
	TOTAL	£46,682.95

5.5 Total value of demand notices issued in 2020-2021

National guidance suggests that Councils should consider reporting on estimated future income where possible. Table 8 shows the number of demand notices issued in the 2020-2021 financial year and the contribution required from each planning application which totalled **£298,071.38**. This provides an indication of how much CIL funding could be paid to the Council in future financial years.

Table 8 : Summary of total demand notices issued between 2020 – 2021

Planning Application No.	Address	CIL – Demand Notice
DC/17/60374	Land adj 71 Portway Road, Rowley Regis	£7,941.49
DC/17/60538	Land off Beauty Bank, CH	£21,939.12
DC/17/61077	158 Bleakhouse Road, Oldbury	£2,970.67
DC/17/61100	Land to the side and rear of 29-47 Pennricket Lane, Oldbury	£1,573.00
DC/17/61155	Land adj 147 Horseley Road, Tipton	£7,337.30
DC/17/61260	Plot 1 - Former Crocketts Lane, Smethwick	£18,579.82
DC/18/62117	The Sportsman, St Marks Road, Tipton	£3,421.16
DC/18/62170	Land rear of 7 & 9 Portway Hill, Rowley Regis	£3,696.17
DC/18/62483	Rear of 77 Horseley Road, Tipton	£2,058.13
DC/19/62846	Cradley Heath Labour Club, 5 Graingers Lane, Cradley Heath	£10,192.27
DC/19/62878	Land to the side and rear of 29-47 Pennricket Lane, Oldbury	£16,994.51
DC/19/62885	Land adj to Dudley Golf Club, Turners Hill, RR	£15,524.40
DC/19/63013	Former Batmanhill Pupil Referral Unit SSCC, Adams Close, Tipton	£6,714.98
DC/19/63049	The New Talbot, 41 Black Lake, WB	£6,922.04
DC/19/63200	Suffrage Street, Park Retreat, Smethwick	£6,016.86
DC/19/63214	86 Victorira Park Road, Smethwick	£2,218.60
DC/19/63437	Former Red Lion Public House, Parkes Lane, Tipton	£20,803.49
DC/19/63486	430 - 432 High Street, Smethwick	£7,443.42
DC/19/63503	Land adjacent to Handley Street, Wednesbury	£6,330.42
DC/19/63546	Land Adj 8a Castle Road West, Oldbury	£28,102.33
DC/19/63644	Land Adjoining 13 Causeway Green Road, Oldbury	£9,406.88
DC/19/63808	Former site of 34 to 37 Reddall Hill Road, CH	£11,651.16
DC/20/63857	Site of the Lagoon, 159 High Street, Princes End	£29,943.49
DC/20/63889	112 Birmingham Road, Great Barr	£2,137.27
DC/20/63916	24 St Pauls Road, Smethwick	£3,106.98
DC/20/64055	Grafton Road, Oldbury	£3,456.51
DC/20/64246	6 High Street, Smethwick	£1,471.40
DC/20/64250	150 High Street, West Bromwich	£4,854.65

DC/20/64254	Land adj to 141 Station Road, Cradley Heath	£7,146.05
DC/20/64274	Land at the rear of 7 & 9 Portway Hill, Rowley Regis	£562.09
DC/20/64306	173 High Street, Rowley Regis	£5,864.42
DC/20/64473	137 Castle Road West, Oldbury	£3,806.05
DC/20/64847	447-449 Bearwood Road, Smethwick	£2,207.09
DC/20/64990	3 Talbot Road, Smethwick	£1,254.56
DC/20/64935	94 Tildasley Street, West Bromwich	£7,100.74
DC/21/65203	3 Graingers Lane, Cradley Heath	£4,452.91
PD/20/01438	240 Bearwood Road, Smethwick	£1,203.95
PD/20/01599	5 Lower High Street, Cradley Heath	£1,665.00

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 £12,606.71 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 2020-2021.

5.10 Infrastructure Projects 2020–2021

There will be an early review in 2022 to set out projects that CIL can fund.

APPENDIX 1

Town Grants Procedure (Community Infrastructure Levy Fund – CIL)

