



Sandwell
Metropolitan Borough Council

Sandwell Infrastructure Funding Statement (IFS)

2020

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 2019/20.

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

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

to support delivery including sources of funding for education, transport, and utilities infrastructure.

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

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 for 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 2019 was £3,159,879.92.

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

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

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

Table 1: Total committed S106 monies remaining held by the Council at 31st March 2019

| Money held 31 st March by allocation | Amount Held |
|---|----------------------|
| Open Space | £1,103,088.71 |
| Affordable Housing | £1,973,658.16 |
| Environmental Health | £43,642.44 |
| Planning | £32,229.45 |
| Highways | £7,261.16 |
| Total | £3,159,879.92 |

3.2 As at 31st March 2019, there were no monies transferred to external bodies.

3.3 Financial contributions agreed in 2019/20 through S106 Agreements

There was one S106 agreement made in 2019-2020 which was for Affordable Housing Contribution (DC/18/62111) dated 18th June 2019 and a Deed of Variation (DC/09/51635) dated 30th October 2019 and a Deed of Variation (DC/16/59596) dated 1st May 2019.

3.3 Monies received in 2019/2020 to be spent by the Council

The was no S106 income received by the Council in 2019-2020.

3.4 S106 monies spent in 2019/2020 by the Council

A total of £1,231,343.34 was spent by the Council during in the 2019-2020 financial year as shown below.

Table 2: Total S106 monies spent in 2019-2020

| Application No | Spent | Date of Approval | Reason |
|---------------------------|-------------|------------------|----------|
| DC/05/45598 | £970.00 | 09-Mar-20 | Leisure |
| DC/05/45598 | £1,100.00 | 05-Feb-20 | Planning |
| DC/08/49057 | £446,684.50 | 05-Feb-20 | Highway |
| DC/09/50896 | £50,105.73 | 05-Feb-20 | Highway |
| DC/09/51649 | £175,000.00 | 05-Feb-20 | Highway |
| DC/05/45017 | £7,004.63 | 15-Jan-20 | Leisure |
| DC/05/45598 | £14,130.00 | 18-Dec-19 | Leisure |
| DC/08/50253 | £3,478.00 | 18-Dec-19 | Leisure |
| DC/13/56577 | £20,294.82 | 18-Dec-19 | Leisure |
| DC/14/56717 | £39,697.78 | 18-Dec-19 | Leisure |
| DC/08/49783 & DC/08/49020 | £10,543.74 | 15-Oct-19 | Leisure |
| DC/10/51793 | £272.31 | 15-Oct-19 | Leisure |
| DC/12/55176 | £36,989.44 | 09-Oct-19 | Leisure |
| DC/14/56717 | £34,164.40 | 09-Oct-19 | Leisure |

| | | | |
|---------------------------|-------------|-----------|--------------------|
| DC/04/42703 | £21,438.28 | 05-Jul-19 | Leisure |
| DC/07/48918 | £2,541.96 | 05-Jul-19 | Leisure |
| DC/13/55690 | £2,335.61 | 05-Jul-19 | Leisure |
| DC/11/54129 | £1,325.37 | 07-May-19 | Leisure |
| DC/05/45586 | £19,304.36 | 07-May-19 | Leisure |
| DC/05/45017 | £103,667.97 | 07-May-19 | Leisure |
| DC/08/50253 | £30,724.78 | 29-Apr-19 | Leisure |
| DC/07/47757 & DC/04/43686 | £17,151.50 | 29-Apr-19 | Affordable Housing |
| DC/05/44045 | £11,369.66 | 29-Apr-19 | Affordable Housing |
| DC/10/52848 | £153,048.50 | 29-Apr-19 | Affordable Housing |
| DC/08/50416 | £28,000.00 | 29-Apr-19 | Affordable Housing |

4 SECTION 278 PROJECTS IN 2019/20

- 4.1 The following table sets out the works carried in the Borough under s278 agreements in the 2019/20 monitoring year.

Table 3: S278 Projects – Based on Agreements completed in 2019/20 Monitoring Period

| Development Site | Agreement Date | Scheme Value |
|-------------------------------|----------------|--------------|
| Mill Lane, Oldbury (Site 1) | 21/8/19 | £147,000 |
| West Road, Great Barr | 5/4/19 | £152,000 |
| Strathmore Road, Tipton | 27/9/19 | £148,000 |
| Phoenix Street, West Bromwich | 9/7/19 | £44,000 |
| Mill Lane, Oldbury (Site 2) | 6/12/19 | £27,000 |

- 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 2019/20 Monitoring Period.

| Development Site | Agreement Date | Scheme Value |
|------------------------------|----------------|--------------|
| Woods Lane, Cradley Heath | 17/9/20 | £65,000 |
| New Swan Lane | 17/11/20 | £26,000 |
| Moor Lane, Rowley Regis | TBC | £22,000 |
| Thompson Road, Oldbury | 18/6/20 | £91,000 |
| Seven Stars, Oldbury | 16/6/20 | £24,000 |
| Reservoir Road, Rowley Regis | TBC | £37,000 |
| Chester Road, Cradley Heath | TBC | £28,000 |
| Little Moor Hill, Smethwick | 4/6/20 | £21,000 |

| | | |
|----------------------------------|---------|---------|
| John Street North, West Bromwich | 3/12/20 | £34,000 |
|----------------------------------|---------|---------|

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 2019 a total of £1,576,842.73 receipts had been received as shown in Table below.

Table 5: CIL receipts received by 31st March 2019

| 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 |
| Total | £1,576,842.73 | £78,841.68 | £236,526.57 | £1,261,474.48 |

5.2 As of 31st March 2019, no monies had been allocated or passed to other parties. The total amount of CIL carry forward to 2019-2020 financial year was £1,498,001.05.

Table 6: Total CIL Receipts received in 2019-2020

| Year | CIL Income Received | 5% Admin | 15% Neighbourhood Funding | 80% for Reg 123 funding allocation |
|------------------|---------------------|-------------------|---------------------------|------------------------------------|
| 2019/2020 | £609,402.28 | £30,470.06 | £91,410.37 | £487,521.85 |
| Total | £609,402.28 | £30,470.06 | £91,410.37 | £487,521.85 |

5.3 CIL retained at the end of 2019-2020 financial year

The total amount of CIL monies retained at the end of 2019-2020 was £2,076,933.27.

5.4 CIL receipts spent in 2019-2020

Bar the 5% admin there was no CIL receipts spent in 2019-2020.

5.5 Total value of demand notices issued in 2019-20

National guidance suggests that Councils should consider reporting on estimated future income where possible. Table 6 shows the number of demand notices issued in the 2019-2020 financial year and the contribution required from each planning application which totalled **£691,667.39**. This provides an indication of how much CIL funding could be paid to the Council in future financial years.

Table 7 : Summary of total demand notices issued between 2019 – 2020

| Planning Application No. | Address | CIL – Demand Notice |
|--------------------------|--|---------------------|
| DC/15/58045 | 50-52 Sandwell Road, West Bromwich | £31,414.00 |
| DC/15/58222 | Aldi, Birmingham Road, Great Barr | £7,038.00 |
| DC/15/58313 | Land Peakhouse Farm, 240 B'ham Rd, G.B | £1,764.00 |
| DC/15/58596 | 87 Whitehall Road & Land Adj to, West bromwich | £20,980.00 |
| DC/15/58742 | Land rear of 54 Sandwell Road, West Bromwich | £29,958.62 |
| DC/15/58847 | Land adj 70 St James Road, Oldbury | £3,185.07 |
| DC/16/59015 | Former Beer Garden, Old Blue Ball PH, 19 Hall End, Wednesbury | £19,498.60 |
| DC/16/59043 | 88 Shireland Road, Smethwick | £2,150.58 |
| DC/16/59080 | Land adjacent to 93A Dingle Street, Oldbury | £3,750.30 |
| DC/16/59429 | 1 Carters Green, West Bromwich | £7,391.63 |
| DC/16/59563 | 30 & 30A Gorse Farm Road, Great Barr | £901.65 |
| DC/16/59630 | 60 Sandon Road, Smk | £277.56 |
| DC/16/59808 | 345-347 High Street, West Bromiwich | £4,494.56 |
| DC/16/59867 | Rear of 77 Horseley Road, Tipton | £5,543.72 |
| DC/16/60061 | Land adjacent 127 Raglan Road, Smethwick | £3,695.81 |
| DC/16/60160 | Site of Former Cottage Spring, Alexandra Road, Tipton | £24,210.23 |
| DC/17/60392 | Land adj. 1 Mallen Drive, Tividale | £2,028.60 |
| DC/17/60427 | Portway Barn, Portway Hill, Rowley Regis | £3,788.48 |
| DC/17/60447 | Cradley Heath Labour Club, 5 Graingers Lane, Cradley Heath | £2,522.45 |
| DC/17/60711 | Land Adj 50 Willingsworth Road, Wednesbury | £3,000.60 |
| DC/17/60781 | 54 Sandwell Road, West Bromwich | £10,708.37 |
| DC/17/60781 | 54 Sandwell Road, West Bromwich | £1,000.00 |
| DC/17/60868 | Land adj Petrol Filling Station, Congregation Way, West Bromwich | £34,087.60 |
| DC/17/61044 | Sandwell College, Crocketts Lane, Smethwick - Phase 5 | £19,819.35 |
| DC/17/61044 | Sandwell College, Crocketts Lane, Smethwick - Phase 2 | £5,788.89 |
| DC/17/61044 | Sandwell College, Crocketts Lane, Smethwick - Phase 3 | £20,036.00 |
| DC/17/61044 | Sandwell College, Crocketts Lane, Smethwick - Phase 4 | £32,754.70 |
| DC/17/61048 | Former Sandwell College & Crocketts Lane Primary school | £7,981.40 |
| DC/17/61103 | Timbertree, Valley Rd, C.H | £26,266.16 |

| | | |
|-------------|--|------------|
| DC/17/61140 | Land Sheepwash Lane/Whitehall Rd | £12,695.18 |
| DC/17/61245 | Land at 111 City Road, Oldbury | £4,629.49 |
| DC/17/61255 | Land adjacent to 21 Siskin Close, Oldbury | £3,093.60 |
| DC/17/61260 | Plot 1 - Former Crocketts Lane, Smethwick | £12,338.02 |
| DC/17/61260 | Plot 2 - Former Crocketts Lane, Smethwick | £12,338.02 |
| DC/17/61260 | Plot 3 - Former Crocketts Lane, Smethwick | £12,483.60 |
| DC/18/61392 | Land off James Watt Drive, Wednesbury | £5,568.49 |
| DC/18/61651 | Priest House, 14 Priest Street, CH | £19,673.51 |
| DC/18/61789 | Former Car Park at Mill street, Tipton | £22,453.93 |
| DC/18/61856 | Lock up garages to the rear of southview, West End Avenue, Smk | £4,003.49 |
| DC/18/61865 | 121 Red Lion Close (side garden of), Tividale, Oldbury | £4,076.28 |
| DC/18/61885 | 25 Newton Road, Great Barr | £2,096.38 |
| DC/18/62067 | 376 High Street, West Bromwich | £6,104.12 |
| DC/18/62094 | Haden Cross, Halesowen Road, C.H | £89,230.84 |
| DC/18/62111 | Site of former Cradley Print, Chester Road, CH | £65,025.08 |
| DC/18/62202 | 341 Birmingham Road, Birmingham | £1,456.88 |
| DC/18/62218 | 7, 9 & 11 Wendover Road, Rowley Regis | £2,059.98 |
| DC/18/62268 | 23 Osborne Road, West Bromwich - Mr Brian Ralley | £418.55 |
| DC/18/62268 | 23 Osborne Road, West Bromwich - Mrs Irene Ralley | £418.54 |
| DC/18/62381 | Former Atlas Metals Site, Cranford Street, Smethwick | £26,289.07 |
| DC/19/62858 | Land adjacent to 93A Dingle Street, Oldbury | £1,263.55 |
| DC/19/62884 | Plot 4 Former Crocketts Lane, Smethwick | £8,097.91 |
| DC/19/62959 | 2-6 Carters Green, West Bromwich | £7,321.40 |
| DC/19/62973 | Lockup Garages Rear Of 27 To 37 Surfeit Hill Road, Cradley Heath | £6,544.88 |
| DC/19/63030 | 588 Bearwood Road, Smethwick | £1,534.53 |
| DC/19/63031 | 590 Bearwood Road, Smethwick | £1,534.53 |
| DC/19/63032 | 602 Bearwood Road, Smethwick | £1,582.60 |
| DC/19/63033 | 608 Bearwood Road, Smethwick | £1,534.53 |
| DC/19/63158 | Rear Of 289 Bearwood Road Smethwick B66 4DR | £3,910.38 |
| DC/19/63215 | Lock up garages land between 8-10 Melrose Avenue, WB | £3,953.92 |
| DC/19/63252 | 204 Halesowen Road, Cradley Heath | £7,413.84 |
| DC/19/63422 | Pritam House, 230 Halesowen Road, Cradley Heath | £1,844.40 |
| DC/19/63606 | 294 Hagley Road West, Oldbury | £621.40 |
| DC/19/63607 | 495 Hagley Road, Smethwick | £1,165.12 |
| DC/19/63781 | 137 Park Road, Smethwick | £854.42 |

5.6 CIL Spending Process

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

Table 8: 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 Following approval of the spending process, it has been agreed that the following projects will receive funding. Monies have been allocated for these projects but not yet spent:

Table 9: Projects approved to receive NFP monies as at November 2020

| Name of Organisation | Town | Amount Requested | Project Details |
|---|---------------|------------------|--|
| West Bromwich Afro-Caribbean Centre | West Bromwich | 3.5K | Shutters |
| Smethwick Brasshouse Lane Community Centre | Smethwick | 6K | Funds for a pantry – fridge / freezer and shelving |
| Sky Force FC | Wednesbury | 0.9K | Equipment |
| St James | Wednesbury | 4K | Multimedia suite and youth club equipment |
| William Perry ABC (referred to as Tipton Boxing Club) | Tipton | 3K | Equipment |
| Deaf Centre | Smethwick | 2.3K | Equipment |

5.10 Amount of CIL spent on administration costs

A total of £30,470.06 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 2019-2020.

5.11 Infrastructure Projects 2020–2021

There will be an early review in 2021 to set out projects that CIL can fund.

APPENDIX 1

Town Grants Procedure (Community Infrastructure Levy Fund – CIL)

