



Sandwell
Metropolitan Borough Council

Sandwell Infrastructure Funding Statement (IFS)

2022

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 2021/2022.

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 2022 was £3,192,477.13.

Table 1: Total committed S106 monies remaining held by the Council at 31st March 2022

Money held 31 st March by allocation	Amount Held
Open Space	£1,167,915.37
Affordable Housing	£1,973,658.16
Environmental Health	£43,642.44
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 2022, there were no monies transferred to external bodies.

3.3 Financial contributions agreed in 2021/22 through S106 Agreements

There were two 106 agreements agreed that contained financial contributions made in 2021/2022.

3.3 Monies received in 2021/22 to be spent by the Council

There was £236,145.35 income received by the Council in 2021-2022.

Table 2: Section 106 income received

Allocation	Amount Received
Leisure	£161,145.35
Affordable Housing	£75,000.00
Total	£236,145.35

3.4 S106 monies spent in 2021/22 by the Council

A total of £0.00 was spent by the Council during in the 2021-2022 financial year as shown below.

4 SECTION 278 PROJECTS IN 2021/22

4.1 The following table sets out the works carried in the Borough under s278 agreements in the 2021/22 monitoring year.

Table 3: S278 Projects – Based on Agreements completed in 2021/22 Monitoring Period

Development Site	Agreement Date	Scheme Value
Fountain Lane, Oldbury	26/10/2021	£107,000
Reservoir Road, Blackheath	01/02/2022	£37,000
Church Hill Road, Smethwick	19/01/2022	£33,000

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 2021/22 Monitoring Period.

Development Site	Technical Approval Date	Scheme Value
Britannia Road, Rowley Regis	20/09/2021	£25,000
Hall Green Road, West Bromwich	03/12/2021	£38,400
King Street, Wednesbury	21/01/2022	£27,000
Lower City Road, Tipton	08/03/2022	£22,800
Clifton Land, West Bromwich	05/04/2022	£18,000
Simpson Street, Oldbury	08/06/2022	£7,000
Abbey Road, Smethwick	07/07/2022	£24,700
Leabrook Road, Tipton	22/08/2022	£38,000
Whitehall road, Great Bridge	15/09/2022	£24,700

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 2021 a total of £2,438,379.26 receipts had been received as shown in Table below.

Table 5: CIL receipts received by 31st March 2021

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
Total	£2,438,379.26	£121,918.45	£365,757.05	£1,950,703.76

5.2 As of 31st March 2021, £42,372.96 monies had been allocated or passed to other parties.

The total amount of CIL carry forward to 2021-2022 financial year was £2,396,006.30.

Table 6: Total CIL Receipts received in 2021-2022

Year	CIL Income Received	5% Admin	15% Neighbourhood Funding	80% for Reg 123 funding allocation
2021/2022	£941,408.68	£47,070.48	£141,211.29	£753,126.91
Total	£941,408.68	£47,070.48	£141,211.29	£753,126.91

5.3 CIL retained at the end of 2021-2022 financial year

The total amount of CIL monies retained at the end of 2021-2022 was £3,337,414.98.

5.4 CIL receipts spent in 2021-2022

As well as the 5% Admin, a total of £79,131.56 was allocated and sent to other parties.

Table 7 – Amount of CIL receipts spent in 2021-2022

Date	Project	Spend
01.04.2021	Life in the Community	£4,309.99
08.04.2021	The Abrahamic Centre - Repair to life	£3,323.40
28.04.2021	Friends of Dartmouth Park, Purchase of 5 benches	£2,081.40
29.04.2021	Tibbington Racing Pigeon Club - Funding for bird racing equipment	£1,992.00
07.05.2021	Wednesbury Baptist Church	£2,500.00
26.05.2021	Bearwood Community Hub - Development of a collaborative office space	£4,329.64
29.06.2021	Friends of Haden Hill Estate - Purchase of planters	£3,189.94
02.07.2021	Timstep - Funding for Musical Instruments	£918.09
12.07.2021	Friar Park Millennium Centre - Senrory room equipment	£3,575.30
16.07.2021	Wednesbury 20000 - repair to fire exit	£4,200.00
20.08.2021	Awesome Performing Arts - Staging equipment	£1,789.00
20.08.2021	Greets Green Community Enterprises - Trees, paint for garden	£1,144.32
07.09.2021	Friends of Brunswick Park - Park Equipment	£1,878.10

23.09.2021	Dorothy Parkes Centre - Gref, Bereavement & Loss Support Programme	£3,259.93
29.09.2021	Single Point Plus - Create Childrens play area	£4,560.00
29.09.2021	The friends of the Sheepwash Nature Reserve - Equipment to help rescue animals	£2,618.12
07.10.2021	Midland Film and Art - Art Yard - Accessibility into their new premises	£3,072.00
11.10.2021	Sporting Your Future - Purchase Sporting equipment and marquees	£4,301.01
04.11.2021	Hallam Street Community Project - Purchase of kitchen equipment	£890.49
17.11.2021	Soho Albion - Football Equipment	£759.03
25.11.2021	Wednesbury Bowls Club - Portable toilet accessible for disabled people	£1,150.00
05.01.2022	291 Community Association - IT equipment for streaming	£1,643.95
05.01.2022	4 Community Trust CIC - Flooring in the building	£4,200.00
11.01.2022	West Bromwich Bid CIC - Radio Link System	£4,175.05
31.01.2022	Sandwell Advocacy - Office furniture and equipment	£2,738.58
01.02.2022	The Great Bridge Community Forum - Boxing Equipment for Young People	£3,067.68
16.02.2022	Options for Life - Purchase of IT Tablets	£507.70
14.03.2022	West Bromwich Baptist Church - Kitchen Project	£4,266.00
17.03.2022	Thimblemill Library - Replacement Noticeboard	£1,884.44
17.03.2022	Holy Cross Church - Foodbank Secure Storage	£806.40
	TOTAL	£79,131.56

5.5 Total value of demand notices issued in 2021-2022

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 2021-2022 financial year and the contribution required from each planning application which totalled £904,407.68. 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 2021-2022

Planning Application No.	Address	CIL – Demand Notice
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DC/17/60747	Thandi Coach Station, Alma Street, Smethwick	£87,465.48
DC/17/61369	Land at 38 Constance Avenue, West Bromwich	£5,022.56
DC/18/61960	Side garden of 35 Highmoor Road, Rowley Regis	£4,748.87
DC/18/62391	Land adj 24a High Street, Tipton	£4,495.26
DC/19/62729	Land Adj 37 Cornwall Avenue, Oldbury	£15,374.92
DC/29/62771	15 Churchfields Road, Wednesbury	£547.26
DC/19/63347	Metro Court, 150 High Street, West Bromwich	£3,882.56
DC/19/63358	Land to the rear of 62 Crompton Road, C.H.	£3,644.12
DC/19/63541	90 Oxford St, Wednesbury	£3,773.49
DC/19/63546	Land Adj 8a Castle Road West, Oldbury	£28,102.33
DC/19/63612	Land adj 93a Dingle Street, Oldbury (Plot 2)	£3,620.02
DC/20/64027	Site of Former Royal Oak Pub, 257-259 Whitehall Road, Tipton	£32,623.26
DC/20/64152	Land at West Bromwich Street, Oldbury	£46,339.52
DC/20/64572	3 Trows House, Bull Street, West Bromwich	£11,301.63
DC/20/64719	154 Hallam Street, West Bromwich	£322.35
DC/20/64917	Land at junction to Lower City Road & Dudley Road East, Tividale	£60,946.74
DC/20/65059	Land north of Hall Green Road, West Bromwich	£385,679.83
DC/21/65269	Site of former Cradley Print, Chester Road, Cradley Heath	£776.52
DC/21/65376	365-367 Bearwood Road, Smethwick	£5,904.94
DC/21/65417	ATS Euromaster, 15 Tollhouse Way, Smethwick	£18,537.33
DC/21/65595	Land at West Bromwich Street, Oldbury - Section 73 App takes over from- DC/20/64152	£139,665.95
DC/21/65796	42 Cape Hill, Smethwick	£4,317.38
DC/21/65829	Land to the rear of 13 to 27 Ebrington Road, WB	£26,407.67
DC/21/65918	156 Hallam Street, West Bromwich	£1,537.22
DC/21/66261	97-101 Bromford Lane, West Bromwich	£7,318.26
DC/21/66275	3 and 4a Long Lane, Rowley Regis	£2,052.21

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 £47,070.48 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 2021-2022.

5.10 **Infrastructure Projects 2021-2022**

There will be an early review in 2023 to set out projects that CIL can fund.

APPENDIX 1

Town Grants Procedure (Community Infrastructure Levy Fund – CIL)

