



MALVERN HILLS DISTRICT COUNCIL

Infrastructure Funding Statement 2019/2020

For the monitoring period 1 April 2019 – 31 March 2020





1. INTRODUCTION

The Infrastructure Funding Statement (IFS) sets out the income and expenditure relating to Community Infrastructure Levy (CIL) and Section 106 (S106) agreements for Malvern Hills District Council.

Local authorities are now required to produce an IFS on an annual basis resulting from changes to legislation in 2019. This is the first IFS prepared by Malvern Hills District Council and should be read in conjunction with the CSV files held on the developer contributions page of the council's website published on 31st December 2020 <https://www.malvern hills.gov.uk/planning/other-planning-services/community-infrastructure-levy>

CIL and S106 income, referred to as planning obligations or developer contributions, are used to help fund the provision of supporting infrastructure in arising from new development and maximise the benefits and opportunities from growth, whether that is from new housing, employment or other types of specific development.

Sections 2 and 3 of this report set out progress in the collection of CIL and S106 and the spending of S106 monies over the financial year 2019/20. At this point no information is provided for CIL spend, other than the distribution of the neighbourhood proportion, as no CIL monies were spent on identified projects last year. It is the council's intention to identify and priorities CIL infrastructure spend and projects in 2021. This will be recorded in next year's IFS.

MAIN HEADLINES FROM THE IFS:

In 2019/20 the headline figures are as follows:
Community Infrastructure Levy

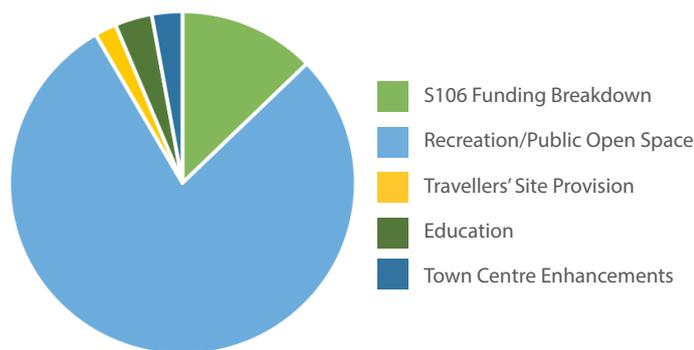
- CIL receipts collected over the last financial year in Malvern Hills District Council amounted to £505,504.88.
- A total of £83,177.78 was provided to local communities that had CIL liable development in the form of the neighbourhood proportion.

Section 106 Agreements

- £526,012.16 of funding was drawn down towards the provision of:

Affordable Housing	£67,065.67
Recreation/ public open space	£414,974.38
Travellers' site Provision	£10,730.11
Education	£18,242
Town Centre Enhancements	£15,000

S106 Funding Breakdown



- Of the types of infrastructure listed £569,279.42 was spent on Recreation and Public Open Space including projects at Tenbury Swimming Pool, Malvern Town Football Club and Rushwick Cricket Club and £18,242 was transferred to Worcestershire County Council for Education purposes.

Community Infrastructure Levy and Section 106 Agreements in Malvern Hills District Council.

CIL is a tariff-based charge on development of new floorspace (per sq m) and has been set across the district for the types of development set out in the Charging Schedule adopted in April 2016. The decision to introduce CIL was taken by the South Worcestershire Councils, Malvern Hills, Worcester City and Wychavon to partly contribute towards the funding required to deliver the joint South Worcestershire Development Plan (SWDP).

However, each council has adopted its own Charging Schedule and collects CIL by council area, although monies are pooled centrally for the whole of South Worcestershire. CIL was implemented in June 2017 in Wychavon District and Malvern Hills District and in September 2017 for Worcester City and the monies collected can be potentially used to fund a wide range of infrastructure that is needed to meet the future growth needs of the district. As of 31st March 2020, since the introduction of CIL in 2017, a total of £1,677,821.48 has been collected in CIL receipts for the whole of the South Worcestershire area.

S106 agreements are used to mitigate the impacts of development and ensure that the planning policy requirements of the SWDP are fully met. S106 obligations include:

- Site-specific financial contributions – these are secured and must be used for the defined purposes; e.g. the provision of education facilities, traffic and transport/highways related works, open space provision and affordable housing (where accepted in lieu of on-site provision);
- Provision of on-site affordable housing; and
- Non-financial obligations, including requirements such as employment strategies, construction management plans and travel plans.

Over the financial year 2019/20 over £1,031,517.04 of funding has been raised from a combination of CIL and S106 contributions (see Table 1 and Table 2) towards the delivery of infrastructure across the Malvern Hills District Council.

¹ Community Infrastructure Levy (Amendment)(England)(No.2) Regulations 2019

2. COMMUNITY INFRASTRUCTURE LEVY – COLLECTION

The CIL rates are set in the adopted Charging Schedule and chargeable development includes new residential development (outside the urban areas) at £40; supermarkets at £60; retail warehouses at £60; and student accommodation at £100. The charge is calculated on the measurement in square meters (£/m²) of new development of Gross Internal Area and is payable (unless exempt, e.g. self-build) once the development commences.

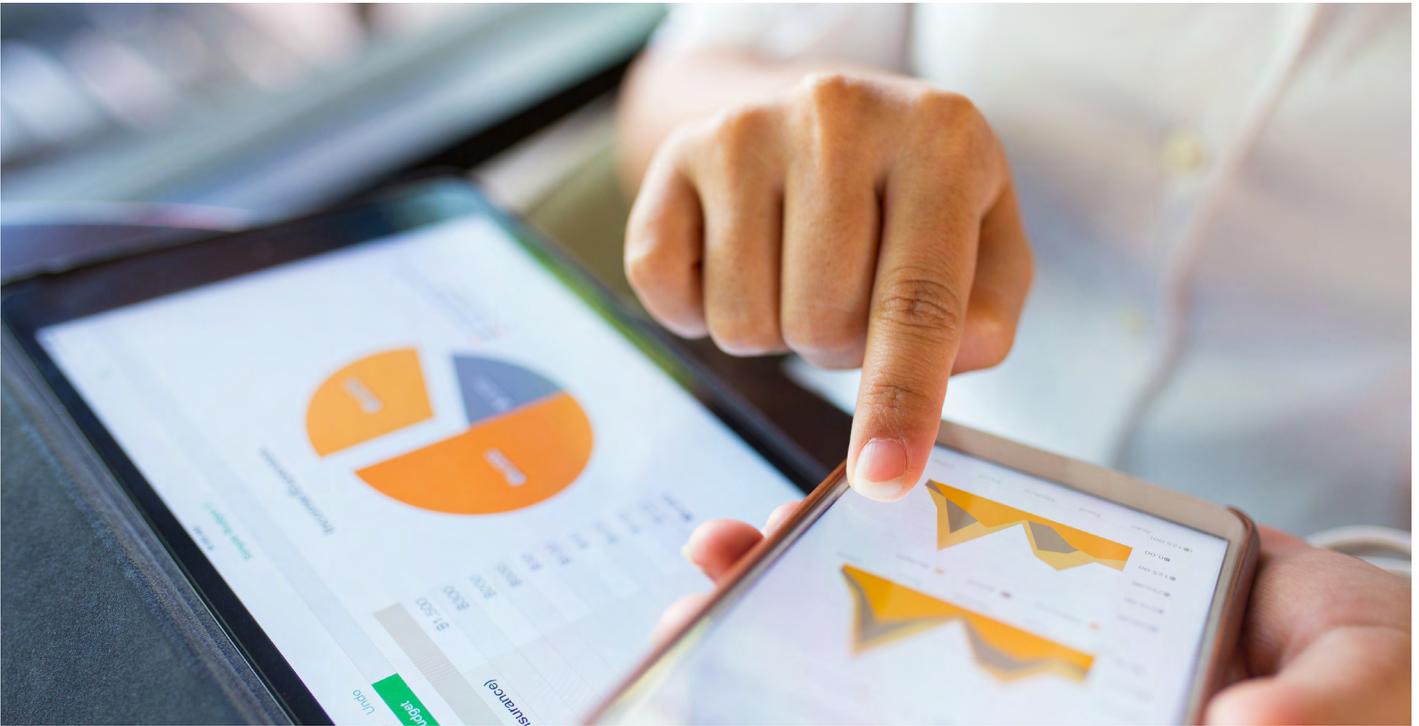
Further details on the rates, types of development and areas that CIL applies can be found in the CIL Charging Schedule <https://www.malvernhills.gov.uk/planning/other-planning-services/community-infrastructure-levy>

A proportion of CIL collected from liable development in a charging area is required to be transferred to local communities via a neighbourhood proportion. In Malvern Hills this is given to parish or town councils at 15% of that collected, or if an area has an adopted neighbourhood plan at 25%.

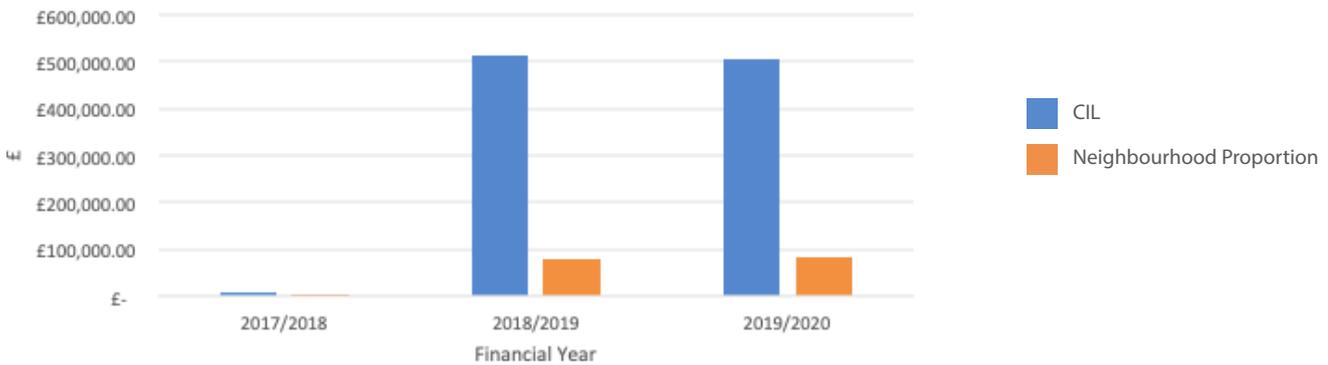
Table 1 CIL income since implementation in 2017 including neighbourhood proportion:

	CIL	Neighbourhood Proportion
2017/2018	£8,381.26	£1,257.19
2018/2019	£512,913.48	£80,021.46
2019/2020	£505,504.88	£83,177.78





CIL Income Since Implementation in 2017 Including Neighbourhood Proportion



2.1 CIL SPEND

To date no CIL monies have been spent on identified infrastructure projects. The reason for this is that the amount of CIL estimated to be collected to contribute towards infrastructure required by the development via the adopted SWDP was estimated to be approximately £6 million over the plan period. Given the relatively modest sum involved it was judged jointly by the combined three Charging Authorities across South Worcestershire, i.e. Malvern Hills, Worcester City and Wychavon, that CIL reserves should be allowed to accrue to a minimum £500,000 in order to help make a substantive contribution towards any submitted infrastructure project bid.

This sum has now been reached and exceeded and the Malvern Hills District Council will have put in place governance arrangements for 2021 to identify and priorities CIL spend on projects for the financial years to come. This information will be included in next year's IFS. Future IFS will also include details of the CIL governance arrangements that need to be established across the SWC in order for the prioritisation and spending of infrastructure projects to be agreed, which will then help support the delivery of larger scale infrastructure projects as related to growth set out in the SWDP.

3. SECTION 106 COLLECTION AND EXPENDITURE 2019/21



The South Worcestershire Development Plan sets out policy requirements for planning obligations in the context of negotiations on planning applications. A high priority is given to securing affordable housing, highway/transport improvements, education.

Further details on the implementation of this approach is set out in the 2018 South Worcestershire Developer Contributions SPD <https://www.wychavon.gov.uk/south-worcestershire-development-plan/publications/supplementary-planning-documents/developer-contributions-spd>



3.1 NOTABLE S106 AGREEMENTS SIGNED

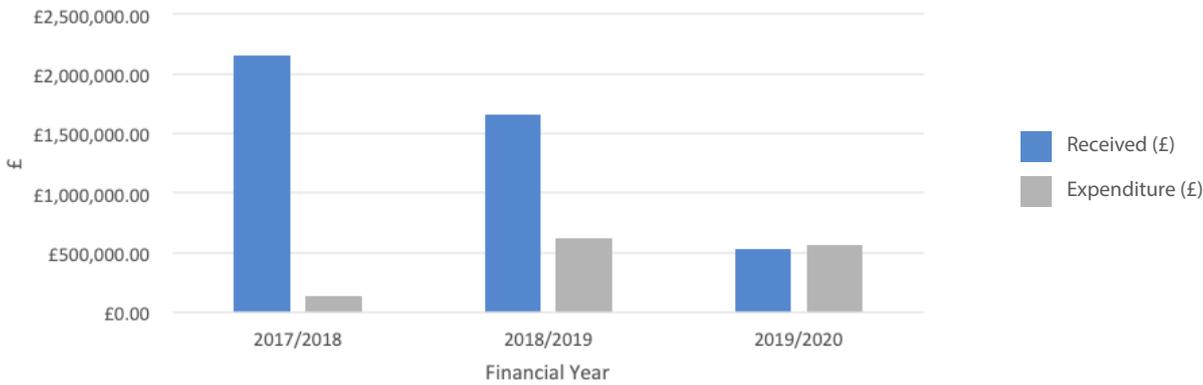
Developments with notable S106 agreements signed in the last financial year include:

- Redevelopment of Malvern Town Football Club including an AGP
- Improvements to Tenbury Swimming Pool
- Improvements to facilities at Rushwick Cricket Club

In 2019/2020 a total of £526,012.16 was received in S106 contributions for [insert council area]. Table 2 sets out the S106 income and expenditure for the last three financial years.

	Received (£)	Expenditure (£)
2017/2018	£2,152,230.39	£141,165.80
2018/2019	£1,660,464.69	£624,576.09
2019/2020	£526,012.16	£569,279.42

S106 Income and Expenditure for the last Three Financial Years



3.2 SECTION 106 SPENDING

Expenditure of S106 funds in 2019.20 accounted for £569,279.42 either spent or transferred to committed projects. This reflects the focus on the spending of S106 monies to ensure the delivery of infrastructure; affordable housing, job creation, open space, transport improvements and other opportunities needed to support growth and maximise the benefits secured from development.

Summary of main spending areas during 2019/20

- Malvern Town Football Club - £316,207.24
- Tenbury Swimming Pool - £199,291.68
- Rushwick Cricket Club - £53,780.50

3.3 S106 AND AFFORDABLE HOUSING

In 2019/20 the affordable housing units delivered via s106 provided a mix of houses, flats and bungalows with the following mix of tenures:

Social Rent	Affordable Rent	Shared Ownership	Discounted Market Sales	Total
130	1	61	13	205

4. CONCLUSIONS

Malvern Hills District Council is committed to working with the local community and other stakeholders to ensure that planning contributions are used in a fair and transparent way, to maximise the benefits and opportunities arising from development, including affordable housing, community infrastructure, jobs and environment improvements.

It is acknowledged that the 2019 regulations require the IFS to set out identified projects and prioritise them for CIL spending. For this first IFS this has not been possible for this financial year but this information will be included for the 2020/21 report.



MALVERN HILLS DISTRICT COUNCIL

Electoral Review Council Size Submission

to the
Local Government Boundary Commission for England

Malvern Hills District Council
Council House
Avenue Road
Malvern, WR14 3AF
www.malvernhills.gov.uk

