

1. Introduction - About this statement

This Infrastructure Funding Statement published by West Lindsey District Council is for the financial period 2020/21. The report provides a summary of financial contributions the Council has secured through section 106 agreements and Community Infrastructure Levy receipts, collectively known as developer contributions, from new developments for the provision of infrastructure and affordable housing within the financial period 2020/21.

The information included in the report will be updated annually and published on the Council's website. This will ensure the most up to date information on the amount of developer contributions received by the Council from new developments, in addition to information on where these monies have been spent is readily available to members of the public and other interested parties.

The report does not include information on the infrastructure delivered on site as part of new developments in the District nor does it include information on developer contributions paid directly to other infrastructure delivery partners such as Lincolnshire County Council. Details of these contributions can be found within Lincolnshire County Council's own Infrastructure Funding Statement.

Please note that data on developer contributions is imperfect because it represents estimates at a given point in time, and can be subject to change. However, the data reported within this document is the most robust available at the time of publication.

2. Key headlines from the statement

West Lindsey District Council community infrastructure levy (CIL)

- £20,128.00 of the neighbourhood portion has been split between 11 Parish Council's within the financial year 2020/21 to be spent on Local Infrastructure.
- CIL receipts, circa £196,955 is available to spend on infrastructure, specifically within this plan period, the Lincoln Eastern Bypass and Secondary Education.

Table 1: High level summary of CIL balances

	Total Income	Parish Council Collected	WLDC Admin	LCC portion (held in line with MOU)
2018/19	£94,720.00	£14,903.70	£4,736.00	£68,818.14
2019/20	£33,693.06	£5,224.56	£1,684.65	£26,783.85
2020/21	£127,089.64	£25,833.34	£6,165.30	£101,353.16
Total	£255,502.70	£45,961.60	£12,585.95	£196,955.15

West Lindsey District Council Section 106 agreements (S106)

- £1,890,266.51 has been received from developments in 2020/21 for the purpose of enabling affordable housing within the District.
- During 2020/21 WLDC has received contributions towards NHS facilities of £27,232.

Table 2: High level summary of s106 balances

	2019/20 CF (£)	Additions 2020/21 (£)	Internal Interest (£)	Spent 2020/21 (£)	2020/21 CF (£)
Affordable Housing	£1,898,157.21	£1,889,835.11	£431.40	£16,828.99	£3,771,594.73
Health	£18,636	£27,232	0	0	£45,868
Public Open Space	£2,500	0	0	0	£2,500
S106 Maintenance	£6,000	0	0	£8,000	-£8,000
Total	£1,925,293	£1,917,067	£431	£24,829	£3,817,963

3. Community infrastructure levy & section 106 agreements

CIL is a tariff-based charge on the development of new floor space (per square metre) in the District. The money can be used to fund a wide range of infrastructure, during the Local Plan period, CIL receipts are currently earmarked to support the provision of the Lincoln Eastern Bypass, in line with the Memorandum of Understanding agreed by Members in 2010.

S106 agreements are used to mitigate the impacts of development and ensure that West Lindsey's infrastructure needs, as part of Central Lincolnshire's Local Plan policy requirements, are fully met.

S106 obligations include:

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

4. Community infrastructure levy – collection and expenditure

West Lindsey income 2020/21

The amount of CIL payable depends on where the development is located within the District and the type of development. The West Lindsey CIL charging schedule and map of the charging zones are available to view on our website at: www.west-lindsey.gov.uk/CIL

The tables below provides a breakdown of CIL receipts within the financial year 2020/21. It is difficult to predict trends in terms of income with only three years' worth of data. This is because there is usually significant time lag between the adoption of CIL and establishing an income trend. This is very often due to the larger applications delivering on site now, having received planning permission prior to the adoption of CIL. Large sites which have received planning permission within the last couple of years, will still be working through the implementation of the permission and so should start to deliver within the next couple of years. What is clear is that the income trajectory is following an upward trend, which is consistent with that of charging authorities that have previously adopted CIL.

West Lindsey continues to receive a high proportion of 'self-build' exemptions, remaining in the region of 25%, which creates the same level of administration but generates no levy.

Table 3: Total CIL Income

Year	£
2020/21	£127,089.64

West Lindsey CIL expenditure

£6,165.30 was retained in 2020/21 by the authority to contribute towards the authorities CIL administration costs, in line with the CIL Regulations 2010 (as amended).

Neighbourhood CIL

Councils have a duty to pass on a proportion of CIL receipts to local neighbourhoods (this is known as the neighbourhood portion). The neighbourhood portion is capped at 15% (but rises to 25% in areas where a neighbourhood plan has been adopted).

The neighbourhood portion of the levy must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area.

During 2020/21 we have collected £25,833.34 of CIL funding for the purpose of funding local neighbourhood projects (see table 4 below).

Table 4

Name of local council	CIL amount	Planning Reference
Bardney	£708.62	141207
Market Rasen	£480.94	137695
North Kelsey	£2,221.35	140238
Stow	£267.19	137530
Gainsborough	£206.90	140706
Greetwell	£644.20	141320
Bishop Norton	£979.94	140650
Nettleton	£1,236.29	139043
Owmbly by Spital	£225.09	140505
South Kelsey & Moortown	£209.04	140591
Scothern	£2,852.20	138337

Infrastructure Funding Statements look at financial years, however payment of the Neighbourhood portion takes place twice a year; on or before the 28th April and on or before 28th October, therefore the amounts collected in a financial year may not directly reconcile with the neighbourhood portion paid. For example this year £10,031.76 of the neighbourhood portion was paid over to local councils within the financial year with £15,802 being held over year end and paid in April 2021, in line with the Regulations.

Non-parished areas

Despite West Lindsey District Council having a large number of Parish Councils. There are areas of the District which do not have a Parish or Town Council. These areas are usually rural areas with a limited number of houses and as such are unlikely to see much development. However there are some instances where development may come forward and CIL may be collected.

In these instances the CIL Regulations 2010 (as amended) require the CIL Charging Authority to retain the monies. Monies collected from non-parished areas must be spent on

infrastructure projects, however there is no time limit within the Regulations as to how long monies may be held. For the period of 2020/21 which this IFS covers, West Lindsey District Council, as the CIL charging authority, holds £1,055 collected in connection with a development in Goltho.

This money and other monies collected from non-parished areas will be held until such time that there is a sufficient quantity to scope and deliver a suitable infrastructure project.

To align with the Council's Corporate Objectives around people and place, specifically wellbeing and infrastructure and the Council's goal to reduce carbon emissions across the district by 2050, it is proposed that monies will be used to deliver projects which improve walking and cycling provision across West Lindsey. Because this money is likely to originate from rural communities it is intended that the project should be, in the first instance focussed on infrastructure to support rural communities. Once the quantity of funds collected from development located in non-parished areas allow, a project will be developed and taken through the appropriate governance process for approval.

Currently there is not enough money to deliver a project and as such further work will be undertaken to scope this approach and establish a framework for delivery, which can be implemented once a sufficient amount of money has been collected.

The budget line for non-parished areas will continue to be reported on through the Infrastructure Funding Statement, annual budget reviews, as well future project development.

5. Section 106 collection and expenditure: 2020/21

The Central Lincolnshire Local Plan, adopted in April 2017 sets out our priorities in relation to planning obligations in the context of negotiations on planning applications. These priorities include the provision of infrastructure and affordable housing.

Further detail on the implementation of this approach is set out in the Developer Contributions Supplementary Planning Document. This document outlines the range and nature of planning obligations to be sought depending on the type of development and how they are calculated in the District and Central Lincolnshire as a whole.

These documents can be viewed on our shared Central Lincolnshire website at:

www.central-lincs.org.uk/local-plan

Section 106 agreements completed in 2020/21

*It is important to note that contributions requested for education and highways are made by Lincolnshire County Council, based on their own evidence and data. The Local Planning Authority has no jurisdiction over when contributions are requested nor which infrastructure projects identified for funding.

Table 5: Developments with notable S106 financial contributions signed in the last financial year 2020/21 included below.

Flare reference	Application site	Type of agreement	Type	Contribution/requirement	Restrictions on spend
124663	The Swale, Corringham Road	DoV S106	Affordable Housing	8 units on site	N/A

139994	Thurlby Road, Gainsborough	S106	Full Affordable Housing scheme	Secure Affordable Housing in perpetuity	N/A
140099	Stallingborough Road, Keelby	DoV S106	Public Open Space	Provision & management on site	N/A
			Affordable Housing	20% provision on site	N/A
140717	Land south of the Belt Road, Gainsborough	DoV S106	Affordable Housing	25% AH provision on site	
			Education	£224,914 (approx.)	Extend Castle Wood Academy from 0.5FE to 1.5FE incl. 4a additional classrooms & ancillary facilities 5yrs from date of final payment
			Public Open Space	Provision & management on site	
			NHS	£34,000 (approx)	Gainsborough Doctors Practices
W65/566/95	Minster Fields/Wolsey Way Lincoln	DoV S106	Affordable Housing	£1.5mil	To provide Affordable Housing within the District of West Lindsey
141843	Rear of 72 Scothern Road, Dunholme	DoV s106	Affordable Housing	Commuted sum in lieu of on site Shared Ownership AH £159,831	None
138733	Middlefield Lane, Gainsborough	S106	Education	£55,282	Queen Elizabeth High School
			NHS	£60,087	John Coupland Hospital
			Public Open Space	£134,792	Aisby Walk Park
			Highways	£5000 Travel Plan	Travel Plan

			Affordable Housing	£112,393	To provide Affordable Housing within the District of West Lindsey
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Relevant documentation for all planning applications can be viewed online on our planning portal at: www.west-lindsey.gov.uk/planning

Section 106 financial contributions received

In 2020/21, a total of £1,917,067.11 was received in s106 contributions. Table 7 shows the breakdown of contributions received in 2019/20.

Table 6: s106 contributions collected

S106 amounts collected in 2019/20	Reference Number	S106 purpose	Restrictions on spend as defined in s106	Payback
£194,444.69	137918 Scothern	Affordable Housing	Affordable Housing within a 5mile radius of the site	Within 5yrs of receipt of final payment
£1,500,000	120310 Minster Fields, Lincoln	Affordable Housing	Affordable Housing within the District of West Lindsey	None
£61,597.32	132090 Cherry Willingham	Affordable Housing	Affordable Housing within the District of West Lindsey	Within 10yrs of receipt of final payment
£133,793.10	127782 Caistor	Affordable Housing	Affordable Housing within the District of West Lindsey	Within 5yrs of receipt of final payment
£ 27,232	136785 Dunholme	NHS	For the purposes of an additional 20 parking spaces at Welton Family Health Centre	None

Section 106 spending

As Lincolnshire is a two tier authority, any monies secured for highways or education in s106 agreements are paid directly to Lincolnshire County Council. Details of receipts and spend can therefore be found in County Council's own Infrastructure Funding Statement.

There has been only a small amount of expenditure of s106 monies in this year, relating primarily to the settlement of two historic s106 agreements where monies were due to parish councils for in relation to open space maintenance. These payments of £6,000 and £2,000 were made to Fenton and Marton & Gate Burton Parish Councils respectively. There are a number of affordable housing projects currently being worked on, as part of the Council's wider Capital Programme, which are likely to result in expenditure within the financial year 2021/22. Within 2020/21 a small amount of funding was collected on behalf of the NHS. This again will be used to support a project identified by the NHS which aligns with the requirements of the s106 agreement.

Current s106 balances

As a result of the expenditure set out above, the current s106 balances held are as follows:

- Total current balance £3,817,962.73, which includes monies earmarked for the NHS
- Of that balance 48% is formally earmarked for specific affordable housing projects. To ensure full transparency, all direct spend by West Lindsey District Council, for the purposes of enabling Affordable Housing schemes will be detailed within the Council's future Capital Programme, following comprehensive project development and due diligence.
- £1.9m remains available for allocation for future affordable housing schemes to be allocated towards affordable housing schemes in 2021/22 and beyond, all of which will need to meet the specific requirements as defined within s106 agreement schedules relating to each site.

6. Future expenditure and priorities

CIL

As detailed above currently all CIL collected throughout the Local Plan period is earmarked for the delivery of the Lincoln Eastern Bypass and Secondary Education, and is prioritised as such. If this arrangement changes, decisions on future infrastructure priorities will be established and agreed through appropriate governance mechanism to ensure transparency and equity.

In terms of predicting the level and timing of future CIL funding it will depend on the nature and scale of development, the number of implemented planning permissions, build out rates and the phasing of development. As such due to the uncertainty over forecasting, the amount of CIL funding will be based on the total receipts collected from the previous financial year and any unspent receipts from previous financial years.

S106

S106 funding in all cases must be spent in accordance with the terms of the legal agreement (as part of the planning application process). The heads of terms can include a clause to spend the S106 contribution between five and ten years of the agreement. S106 funding is more closely tied to the phasing of development set out in the terms of the legal agreement. S106 income varies on a site-by-site basis depending on a range of factors, such as the viability of development, location and other site-specific considerations. This makes it difficult to forecast future S106 income and expenditure. However, all future S106 expenditure is reported through Capital Budget Setting and the delivery of those projects will be reported on through future Infrastructure Funding Statements.

Much like CIL any future spend from S106 will only be based on commuted sums collected from the previous financial year and any unspent commuted sums from previous financial years. As such, this approach may result in s106 commuted sums being retained over a number of years creating enough reserves to deliver/enable strategic affordable housing projects at scale in line with corporate priorities.

Delivering additional affordable housing through S106 funding is challenging in West Lindsey. This is because West Lindsey is not a stockholding authority and as such relies on external partners to deliver the affordable housing across the District. Whilst the Council has clear priorities to deliver housing which meets evidenced needs, very often projects arise in the guise of opportunities presented by Registered Providers based on their programmes of work.

Nonetheless, the options detailed below, align with housing needs evidence and remain a focus for future S106 spend:

- Use area restricted S106 funding to purchase open market housing to deliver additional affordable rental units in those areas
- Use S106 funding to convert market housing into First Homes
- Use S106 funding to purchase open market housing to deliver additional affordable rental units areas of evidenced high need
- Purchase empty or problematic properties and convert them into affordable housing

All projects which align with these priorities will be assessed as part of the established application process for S106 monies, ratification of the project will be sought via the s106 Capital Spend Programme and be subject to a grant funding agreement between the Council and the delivery partners.

7. Conclusions

West Lindsey 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, such as new affordable homes and key infrastructure provision.

As part of West Lindsey's commitment to continuous service improvement the planning and delivery of CIL and S106 income and expenditure remains under review to ensure the allocation and negotiation process is robust and appropriate facilitating coordinated delivery to meet identified need and corporate policies.