

Malvern Hills District Council

Infrastructure Funding Statement

2020/2021

For the monitoring period 1 April 2020 – 31 March 2021

Published in December 2021



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 for the financial period 2020/21.

Local authorities are now required to produce an IFS on an annual basis resulting from changes to legislation in 2019¹. This is the second IFS prepared by Malvern Hills District Council should be read in conjunction with the CSV files held on the developer contributions page of the council's website published on 31st December 2021.

CIL and S106 income, referred to as planning obligations or developer contributions, are used to help fund the provision of supporting infrastructure 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 2020/21. At this point no information is provided for CIL spend, except the proportional amount distributed to neighbourhoods, as no CIL monies were spent on identified projects last year. It is the council's intention to identify and prioritise CIL infrastructure spend and projects in 2022.

Main headlines from the IFS:

In 2020/21 the headline figures are:

Community Infrastructure Levy

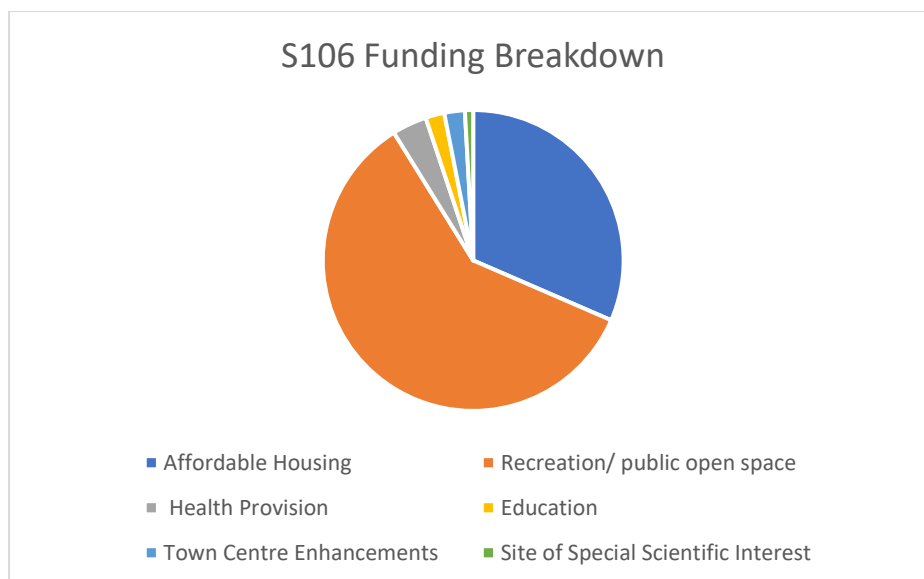
- CIL receipts collected over the last financial year in Malvern Hills District amounted to £467,894.81.
- A total of £98,891.71 was provided to local communities that had CIL liable development in the form of the neighbourhood proportion.

Section 106 Agreements

- £679,467 of funding was collected towards the provision of:

Affordable Housing	£214,079.42
Recreation/ public open space	£405,306.51
Health Provision	£25,315.65
Education	£13,749.90
Town Centre Enhancements	£15,000
Site of Special Scientific Interest	£6,018.52

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



- Of the types of infrastructure listed, £214,079 was spent on affordable housing and £13,749 was transferred to Worcestershire County Council for Education purposes. £631,871 was spent on Recreation and Public Open Space including projects at Leigh Hurst Playpark, Powick Playing Fields, Rushwick Play Area, Malvern Cricket Club, Leigh 1st Scouts Group and Broadwas Village Hall. £21,027 was spent on village boundary improvements in Kempsey.

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 potentially be used to fund a wide range of infrastructure that is needed to meet the future growth needs of the district. As of 31st March 2021, since the introduction of CIL in 2017, a total of £2 million 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 2020/21, £1,213,559.20 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.

2. Community Infrastructure Levy – collection

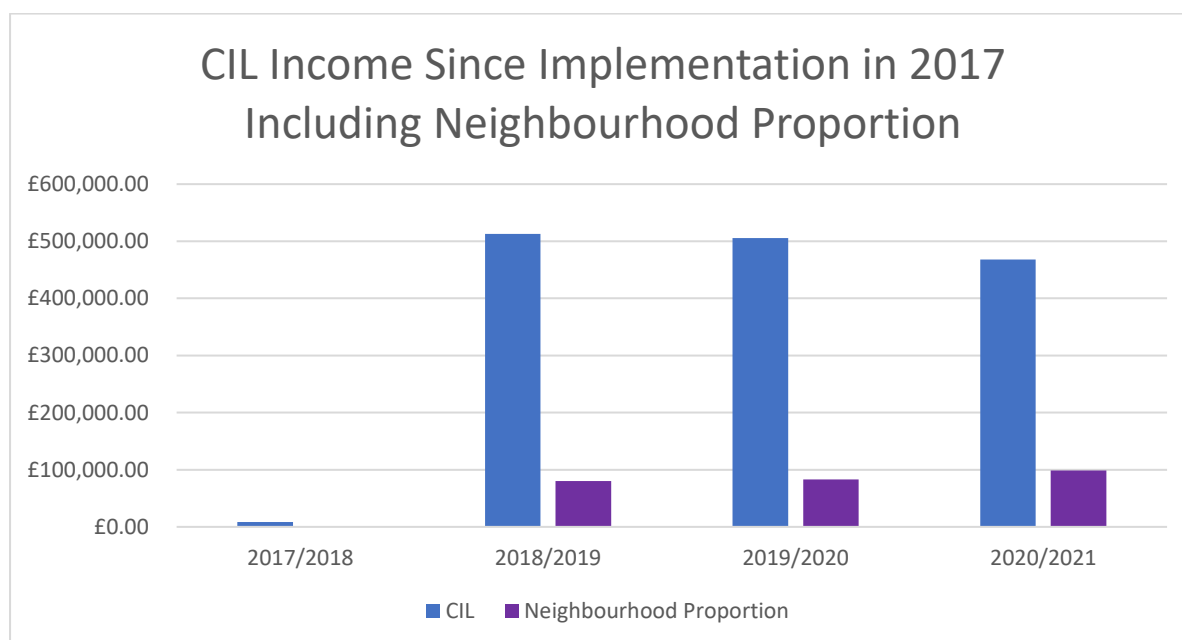
The CIL rates are set in the adopted Charging Schedule (2017) and chargeable development includes new residential development (outside the urban areas) at £40; supermarkets at £60; retail warehouses at £60; and student accommodation at £100. The charge is calculated on the measurement in square meters (£/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 [CIL Charging Structure 2017 and Reg 123 Final Verison - MHDC.pdf \(malvern hills.gov.uk\)](#)

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
2020/2021	£467,894.81	£98,891.71



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 of £500,000 in order to help make a substantive contribution towards any submitted infrastructure project bid.

Although this sum has now been exceeded the three councils have been unable to finalise the governance arrangements as intended in 2021. Therefore, this IFS, does not yet identify specific infrastructure projects to be supported by CIL. However, there is an undertaking that the governance arrangements will be in place early in 2022 and the identified projects for CIL spending will be published as an addendum to this IFS.

For 2020/21, 5% of CIL monies collected have been held back for administrative purposes towards funding the appointment of a CIL officer. A CIL monitoring officer was appointed in October 2021.

3. Section 106 collection and expenditure 2020/21

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 and education. Worcestershire County Council is required to produce an IFS and a link is provided to the latest version of the document. [Infrastructure Funding Statement | Infrastructure Funding Statement | Worcestershire County Council](#)

Further details on the implementation of this approach are set out in the 2018 South Worcestershire Developer Contributions SPD [Developer Contributions SPD - South Worcestershire Development Plan \(swdevelopmentplan.org\)](#)

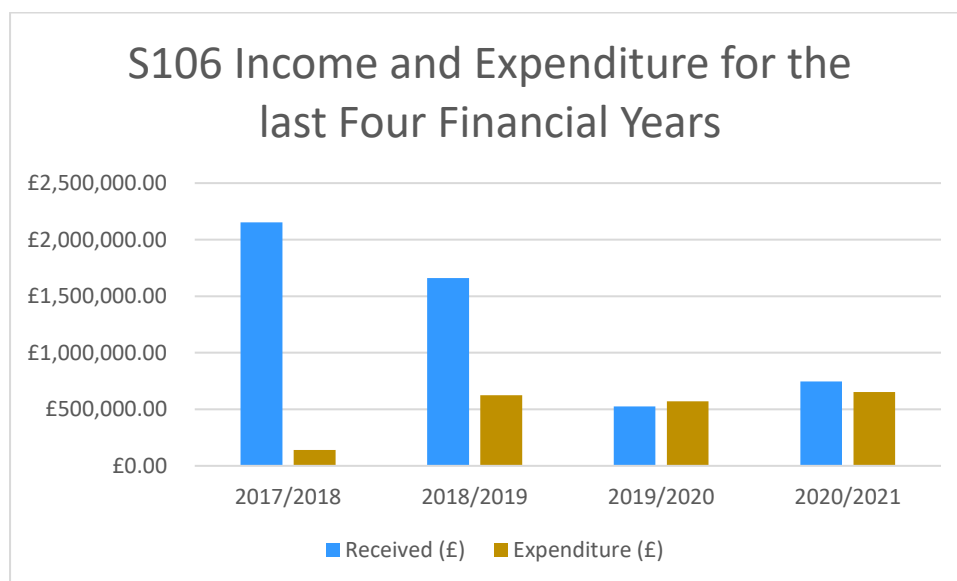
Notable S106 Agreements signed

Developments with notable s106 agreements signed in the last financial year include:

- Construction of a Sports Pavilion and Pitch Improvements at Powick Parish Council
- Playpark at Leigh
- Improvements to Scout Hut at 1st Leigh Scouts
- Improvements to Rushwick Village Toddler Area

In 2020/2021, a total of £745,664 was received in S106 contributions for Malvern Hills District. Table 2 sets out the S106 income and expenditure for the last four financial years.

Year	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
2020/2021	£745,664.39	£652,899.23



3.1 Section 106 spending

Expenditure of S106 funds in 2021/21 accounted for £652,899.23 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 2020/21

- Powick Sports Pavillion - £450,547.03
- Leigh Scout Hut - £77,896.31
- Rushwick Toddler Area - £37,506.38
- Leigh Hurst Playpark - £33,587

3.3 S106 and Affordable Housing

In 2020/21 the affordable housing units delivered via s106 provided a mix of houses, flats, and bungalows with the following mix of tenures (2019/2020 data is for reference):

Year	Social Rent	Affordable Rent	Shared Ownership	Discounted Market Sales	Total
19/20	130	1	61	13	205
20/21	95	43	46	10	194

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 environmental improvements.

It is acknowledged that the 2019 regulations require the IFS to set out identified projects and prioritise them for CIL spending. It has not been possible to specify this at the time of writing, however this information will be included in an addendum to the 2020/21 report early in 2022.