

Malvern Hills District Council

Infrastructure Funding Statement 2021/2022

For the monitoring period 1 April 2021 – 31 March 2022



Published December 2022

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 2021/22.

Local authorities are now required to produce an IFS on an annual basis resulting from changes to legislation in 2019. This is the third IFS prepared by Malvern Hills District Council. Further details regarding S106 agreements completed in the year 2021/22 and relevant transactions as well as information appertaining to CIL can be found contained within the CSV files that have been completed by the Council in accordance with government requirements. These are held on the developer contributions page of the council's website published by 31 December 2021 [Community Infrastructure Levy - Malvern Hills District Council](#).

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 2021/22. At this point no information is provided for CIL spend, except the portioned 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 2023. This will be recorded in an addendum to the IFS once projects have been agreed early in 2023.

Main headlines from the IFS

In 2021/22 the headline figures are:

Community Infrastructure Levy

- a. £164,675.17 collected in total.
- b. £31,616.39 paid to parishes for their share.
- c. No projects were funded by Malvern Hills District Council.

Section 106 Agreements

- a. £841,954.66 collected
- b. £1,028,301 contributed to eligible projects

CIL and S106 Agreements in Malvern Hills District

CIL is a tariff-based charge on development of new floorspace (per sq m) and has been set across the Malvern Hills District for the types of development set out in the Malvern Hills CIL 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 on 5 June 2017 for Wychavon District and Malvern Hills District and 4 September 2017 for Worcester City. 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.

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 can include:

- a. 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, public open space provision/improvement, sport improvements and facilities, cycling improvements and affordable housing (where accepted in lieu of on-site provision);
- b. Provision of on-site affordable housing; and
- c. Non-financial obligations, including requirements such as construction management plans and travel plans.

Over the financial year 2021/22, £1,006,629.83 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

2.1 CIL 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. The rates are subject to annual indexation.

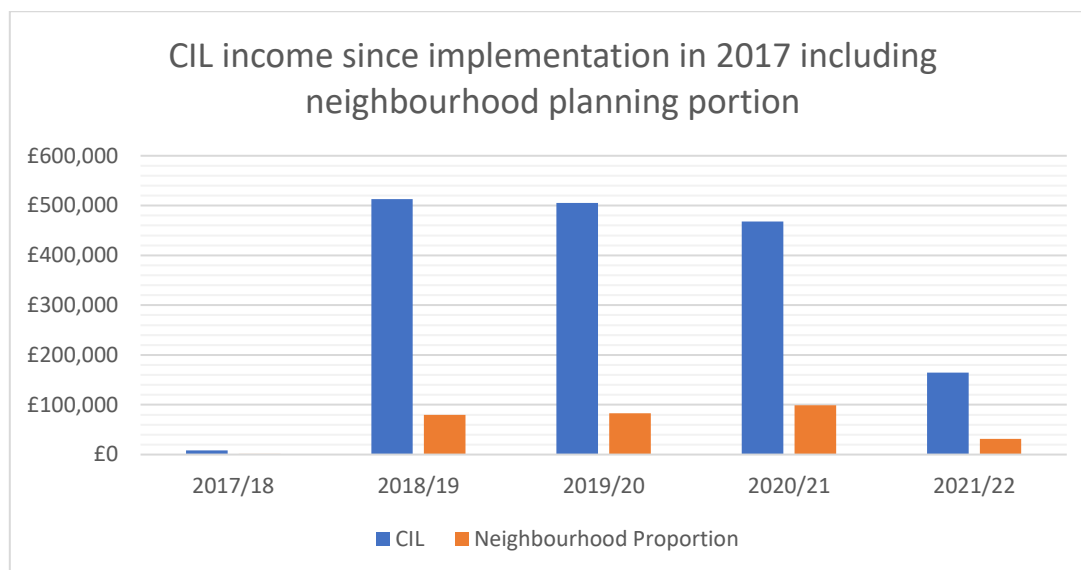
Further details on the rates, types of development and areas that CIL applies can be found in the CIL Charging Schedule [CIL Charging Structure 2017 and Reg 123 Final Version - MHDC.pdf \(malvern hills.gov.uk\)](#).

A portion of CIL collected from liable development in a charging area is required to be transferred to local communities via a neighbourhood portion. In Wychavon District 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 portion

Year	CIL (£)	Neighbourhood portion
2017/18	£8,381.26	£1,257.19
2018/19	£512,913.48	£80,021.46
2019/20	£505,504.88	£83,177.78
2020/21	£467,894.81	£98,891.71
2021/22	£164,675.17	£31,616.39

Figure 1: CIL income since implementation in 2017 including neighbourhood portion



2.2 CIL spend

Despite income being accrued from CIL in all three Charging Authorities, no CIL monies have been spent on identified infrastructure projects to-date. Overall, the amount of CIL estimated to be collected from development in accordance with the adopted SWDP was judged to be approximately £6 million over the entire plan period.

The 2020/21 IFS included a statement to the effect that any identification of infrastructure projects for CIL monies was dependent on the accumulation of CIL reserves to a minimum of £500,000. Although this sum has now been exceeded the three Councils have been unable to confirm specific infrastructure projects to be supported by CIL during this monitoring year. However, there is an undertaking that projects will go through the internal governance process early in 2023 and the identified projects for CIL spending will be published as an addendum to this IFS as soon as is practicable.

For 2021/22, 5% of CIL collected has been held back for administrative purposes towards funding the appointment of a CIL officer. A CIL monitoring officer was appointed in October 2021.

2.3 Income in South Worcestershire

Wychavon District Council and Worcester City Council have different charging schedules to Malvern Hills District Council. Between 2017 and 2022 a total of £3,604,600 CIL receipts have been collected in south Worcestershire.

Table 2: CIL income in the three LPAs since 2017

Year	Wychavon	Malvern Hills	Worcester City
2017-2018	£61,492	£8,381	£0
2018-2019	£217,895	£512,913	£0
2019-2020	£371,635	£505,505	£0
2020-2021	£432,689	£467,895	£0
2021-2022	£390,349	£164,675	£471,171

3. Section 106 collection and expenditure 2021/22

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-2018-Revision-Approved.pdf \(swdevelopmentplan.org\)](#).

3.1 Notable S106 Agreements signed

19 S106 agreements were signed in the year 2021/22. Below are four of the substantial development contributions.

19/01378 – Contributions to health, education, community facilities and highways.

21/01268 – Contribution towards the expansion of Rushwick pre-school, transport and open space.

19/01298 – On-site public open space, 33 affordable dwellings and contribution towards highways.

20/00660 – On-site public open space, 21 affordable dwellings and contribution towards highways.

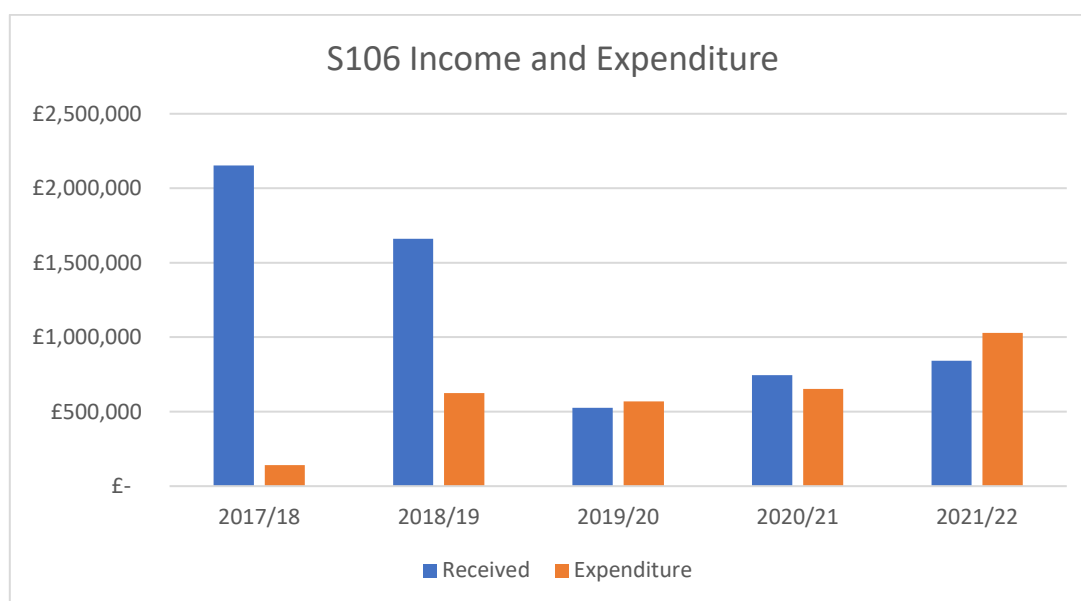
3.2 Section 106 Receipts

In 2021/22 a total of £841,954.66 was received in S106 contributions for Malvern Hills District. Table 3 sets out the S106 income and expenditure for the last five financial years.

Table 3: S106 income and expenditure for the last five years

Year	Received	Expenditure
2017/18	£2,152,230.39	£141,165.80
2018/19	£1,660,464.69	£624,576.09
2019/20	£526,012.16	£569,279.42
2020/21	£745,664.39	£652,899.23
2021/22	£841,954.66	£1,028,301.00

Figure 2: S106 income and expenditure since 2017/18



3.3 Section 106 Spending

Expenditure of S106 funds in 2021/22 accounted for £1,028,301 either spent or transferred to committed projects. This reflects the focus on the spending of S106 monies to ensure the delivery of infrastructure such as affordable housing, community facilities, public open space provision and/or improvements, the provision and/or implementation of sports facilities and other opportunities needed to support growth and maximise the benefits secured from development.

Summary of main spending areas during 2021/22

Recreation / Public Open Space - £632,505.22

Affordable Housing - £315,904.05

Transport and Travel - £30,088.32

Community Development Worker - £28,996.07

Please note that amounts of under £5,000 have not been included in the above list.

No amounts have been transferred to Worcester County Council this monitoring year.

3.4 S106 Commuted Sums

For 2021/22 no commuted sums were received so the balance for this monitoring period remains £23,950.50.

3.5 S106 and Affordable Housing Provision

In 2021/22, 237 affordable housing units were delivered via s106 provided a mix of houses, flats and bungalows with the following mix of tenures shown in table 4 (2020/19 data is for reference).

Table 4: Affordable housing provided in 2021/22

Year	Social Rent	Affordable Rent	Shared Ownership	Discounted Market Sales	Total
2020/21	95	43	46	10	194
2021/22	99	64	68	6	237

Please note that the affordable housing completions in the IFS differ from those reported in the 5YHLS due to monitoring differences. For further information, please contact Planning Policy at policy.plans@wychavon.gov.uk

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 publication, however, this information will be included in an addendum to the 2021/22 report early in 2023. The addendum will set out governance arrangements and process to identify infrastructure projects for CIL monies as well as the details of the projects selected to be funded in 2023.