

INFRASTRUCTURE FUNDING STATEMENT 2023/24

Cabinet Member & Portfolio	Cllr Steve Tuckwell, Cabinet Member for Planning, Housing & Growth
Responsible Officer	Karrie Whelan, Corporate Director of Place
Report Author & Directorate	Mathieu Roger – Head of Strategic Planning and Regeneration Planning And Sustainable Growth (Place)
Papers with report	Appendix 1: Infrastructure Funding Statement 2023/24 (circulated separately)

HEADLINES

Summary	<p>In accordance with the Community Infrastructure Levy (CIL) Regulations any authority that receives a contribution from development through the levy or section 106 planning obligations must prepare an Infrastructure Funding Statement (IFS). This IFS covers information on CIL and S106 receipts for the 2023/2024 financial year and reports on how they were allocated and spent.</p> <p>Any local authority that has received developer contributions is required to publish an IFS at least annually, by 31st December each year. It is therefore a statutory obligation for the Council to prepare and publish an IFS in time each year.</p>
<p>Putting our Residents First</p> <p>Delivering on the Council Strategy 2022-2026</p>	<p>This report supports our ambition for the Council of: An efficient, well-run, digital-enabled council working with partners to deliver services to improve the lives of all our residents</p> <p>This report supports our ambition for residents of: Live active and healthy lives Enjoy access to green spaces, leisure activities, culture and arts Live in a sustainable borough that is carbon neutral Be / feel safe from harm Live in good quality, affordable homes in connected communities Stay living independently for as long as they are able Have opportunities to earn an income that supports their families</p> <p>This report supports our commitments to residents of: Safe and Strong Communities Thriving, Healthy Households A Green and Sustainable Borough A Thriving Economy A Digital-Enabled, Modern, Well-Run Council</p>

Financial Cost	<p>The publication of the IFS itself does not have any financial implications.</p> <p>The IFS is only a record of how planning obligations have been collected and spent. It therefore contains a record of many decisions that were subject to the relevant democratic process and would have had financial implications assessed.</p>
Select Committee	Residents' Services Select Committee
Ward(s)	All

RECOMMENDATIONS

That the Cabinet:

- 1) Notes the contents of the Infrastructure Funding Statement (IFS) 2023/24 (Appendix 1).**
- 2) Agrees that the IFS can be published on Hillingdon's website by 31st December 2024.**
- 3) Delegates any minor amendments prior to publication to the IFS to the Director of Planning and Sustainable Growth, in consultation with the Cabinet Member for Planning, Housing and Growth.**

Reasons for recommendation(s)

The Council is required under Regulation 121A and Schedule 2 to the Community Infrastructure Levy (CIL) Regulations 2010 (as amended in 2019) to publish on its website an Infrastructure Funding Statement no later than 31st December each year. Such a Statement includes CIL and S106 receipts, allocations and spend from 1st April to 31st March of the preceding financial year.

Alternative options considered / risk management

As noted above, the publication of the IFS is a statutory requirement and, therefore, the Council needs to publish one prior to 31st December 2024.

Democratic compliance / previous authority

Whilst the IFS is only a record of how planning obligations have been collected and spent, it contains a record of many decisions that were subject to their own relevant democratic process (e.g. via Planning Committee / Cabinet Member Approvals).

Select Committee comments

The Residents' Services Select Committee considered the Infrastructure Funding Statement at its meeting on 27 November 2024 and has made the following comments:

“The Residents' Services Select Committee acknowledges the Infrastructure Funding Statement (IFS) 2023/24 and notes the Council's strong commitment to transparency in the collection, allocation, and expenditure of developer contributions, including the Community Infrastructure Levy (CIL) and Section 106 agreements.

The Committee is pleased to highlight several positive aspects of the report. Notably, the allocation of over £2.5 million from Hillingdon's CIL to projects such as the new West Drayton Leisure Centre demonstrates the Council's dedication to enhancing community facilities and meeting residents' needs. The Chrysalis Programme, funded through Neighbourhood CIL, continues to deliver tangible improvements, including community safety enhancements and better accessibility, directly benefiting residents. Furthermore, the publication of the IFS online ensures residents can easily access detailed information about how CIL funds are utilised, reinforcing transparency.

The Committee is encouraged by assurances that the implementation of the new Exacom system will strengthen the link between revenue collection and expenditure. However, Cabinet may wish to consider some of the issues raised by Members regarding the transparency of linking revenue to expenditure on Section 106 funds. While the service has expressed a commitment to providing this transparency, it is noted that the Exacom reconciliation is currently approximately a third complete.

The Council's focus on sustainability and environmental responsibility is particularly commendable. Initiatives funded through Section 106 contributions, such as air quality monitoring, carbon offsetting, and energy-efficient lighting upgrades in Council-managed car parks, reflects the Council's ambition to address the challenges of the climate emergency. However, it is important to note that there is a lag in the utilisation of Section 106 funding for climate change monitoring, and the Committee would welcome further efforts to ensure that the funding is utilised as quickly as possible to assist the Council in meeting its environmental targets.

Additionally, the strategic allocation of over £5 million to the Hillingdon Affordable Housing Fund underscores the Council's dedication to addressing housing needs and supporting sustainable community growth.

The Committee commends the efforts of officers and stakeholders in delivering infrastructure improvements that enhance the quality of life for Hillingdon residents. Members encourage a continued focus on deploying funds efficiently, with priority given to critical challenges such as housing, transport, and environmental sustainability. Members also welcome the ongoing review of CIL charging schedules to ensure they align with the borough's infrastructure needs and growth targets.

The Committee supports the publication of the report and looks forward to receiving future updates on the allocation and impact of developer contributions, along with how the service will take forward the points raised about the development of the Exacom system and the transparency of Section 106 funding.”

SUPPORTING INFORMATION

Introduction

1. This report sets out how Community Infrastructure Levy (CIL) and financial S106 Planning Obligations were collected and allocated in the 2023/24 financial year. This is a statutory requirement under Regulation 121A and Schedule 2 to the Community Infrastructure Levy (CIL) Regulations 2010 (as amended). The legislation requires each planning authority to publish an Infrastructure Funding Statement (IFS) for the preceding financial year by the 31st December. The IFS must report on the developer CIL and S106 contributions received and spent as well as the types of infrastructure which the council, as a CIL charging authority, intends will be wholly or partly funded by CIL going forward.

Background

2. Planning obligations are a planning tool used by local planning authorities to mitigate the impact of development and deliver the investment in local infrastructure and services required to support sustainable growth.
3. The London Borough of Hillingdon collects two types of planning obligations:

CIL: Hillingdon's CIL Charging Schedule came into effect in August 2014. Charges currently apply to new residential, out of centre retail, hotel and warehousing/ storage developments. The Charging Schedule is updated in January of each year to take account of indexation to ensure that the charges set by the council stay in line with cost inflation in the wider construction sector.

S106: Section 106 of the Town and Country Planning Act 1990 allows local planning authorities to seek planning contributions from developers to make developments acceptable in planning terms, where they otherwise would not be. A S106 is a legal agreement between the developer and the planning authority setting out the agreed mitigations including financial contributions.

Infrastructure Funding Statement 2023/24

4. The structure of the IFS is based on the required data from the Regulations set out above. Each section contains detailed tables of all relevant CIL and S106 obligations, which planning consent they are linked to and the totals of funds agreed, held, received and spent. The full IFS is provided as Appendix 1, and this report seeks only to present a summary of key information.

Summary of Key Points

Hillingdon CIL (HCIL)

5. The first section of the IFS details the income and expenditure from those developments which were liable to pay CIL within the 2023/24 financial year. The total amount of HCIL collected in the 2023/24 financial year was £2.7 million. In accordance with the regulations, 5% of this funding is used to fund the administration of the CIL collection process and the remainder can be spent on the delivery of strategic and neighbourhood infrastructure.
6. Hillingdon has taken the approach of spending all CIL receipts received within the same financial year. Consequently, the only balances held at the end of each IFS reporting period are those collected within the same financial year.
7. In accordance with the intended approach set out in the 2022/23 IFS, all HCL funds received in the 2023/24 financial year were allocated to fund the delivery of the new Platinum Jubilee Leisure Centre currently under construction in West Drayton or to support the delivery of community infrastructure projects requested through the council's Chrysalis Programme.

Income:	
Admin Fee	£134,837.86
Total Spent	£2,561,919.99
Total Collected	£2,696,757.85

Expenditure:	
Chrysalis Programme	£354,584.41
Platinum Jubilee Leisure Centre, West Drayton	£2,207,335.58
Total Expenditure	£2,561,919.99

8. The new leisure centre represents a major capital investment by the council and will be a vital community health facility, affirming the council's commitment to ensuring thriving, healthy households. The council's Capital Works team is managing the construction of the centre, working alongside multiple contractors. The new leisure centre is due to open in 2025.
9. The Chrysalis Programme is partly funded by the 15% neighbourhood proportion of HCIL. During 2023/24 financial year, the Chrysalis programme has funded the following project categories through neighbourhood CIL:

Project Category	Total Spend
Access Improvements	£72,288.12
Community Facilities Refurbishment	£170,666.48
Community Safety - Alley Gating Schemes	£22,862.25
Outdoor Sports & Play Facilities	£64,784.88
Town Centre Improvements	£23,982.68
Chrysalis Fund Total:	£354,584.41

10. The remaining portion of Neighbourhood CIL was also allocated to the delivery of the Platinum Jubilee Leisure Centre.

Mayoral CIL

11. The IFS also highlights that in addition to collecting contributions for its own CIL, the council is also a CIL collecting authority for Mayoral CIL. The CIL monies collected on behalf of the Mayor of London are transferred to Transport for London to be spent on transport infrastructure, with the borough retaining a 4% administration fee. The total Mayoral CIL amount collected by Hillingdon in 2023/24 was £3.2 million with £130,000 retained for administration costs.

S106 Planning Obligations

12. This section of the IFS sets information on the S106 funds the council holds, new obligations agreed within the reporting year and details all of the expenditure of S106. The council's S106 balance at the start of the reporting year was £25.4 million.

S106 Income

13. As shown in the table below, taken from the IFS, £4.9 million of new income was received and £1.3 million was spent resulting in a closing balance of £28.9 million. The largest receipt was a £3 million contribution to the council's S106 carbon offset fund from the new Colt Data Centre under construction in Hayes. Other significant areas of income include £0.8 million towards the delivery of the council's Air Quality Management Plan and £0.4 million to implement Healthy Streets initiatives in the vicinity of new developments.

2023/24:	£'000
Opening Balance 1 st April 2023	25,416
Total income for the year 2023/24	4,874
Total Expenditure for the year 2023/24	1,331
Closing Balance 31st March 2024	28,959
Total Unallocated Balance for the year 2023/24	15,984

S106 Allocations and Expenditure

14. Once S106 monies have been received, the relevant spend department will then seek a formal allocation of the funding to deliver the agreed type of mitigation. It is important to note that

S106 monies received or allocated within a particular financial year will not generally be spent within the same financial year. This is because expenditure can be reliant on a development reaching a specific stage or because monies are pooled from multiple developments to deliver a larger piece of infrastructure. Furthermore, some funds received are held as bonds to be paid back many years after completing the development.

15. The IFS shows that the total amount of new S106 allocations made in the financial year was £6.6 million. This includes the allocation of £5.1 million towards the council's affordable housing fund which will support the delivery of additional affordable housing units. Other allocations include £0.1 million to upgrade canal towpaths in Uxbridge, £0.2 million towards the council's air quality monitoring service, £0.2 million to support the restoration of Cranford Park and £0.1 million on improvements on pedestrian and cycle improvements of Dawley Road.
16. The IFS then moves on to detail the expenditure of S106 in the reporting year. It shows that a total of £1.3 million was spent in 2023/24. The five biggest individual schemes by spend amount are listed below. This includes the installation of energy efficiency light in council car parks to reduce carbon emissions and improvements to Minet Country Park in Hayes.

	Infrastructure	Spend	Date Spent	Spend Description
1	Carbon Reduction - Lighting Upgrade at Cedars Car Park, Uxbridge & Blyth Road Car Park, Hayes	£170,230	29 March 2024	Spent towards upgrading lighting in Council car parks to reduce carbon emissions and energy use.
2	Minet Country Park Improvements - Release No 2	£139,969	31 March 2024	Spent towards recreational/ ecological Improvements at Minet Country Park
3	Hillingdon Affordable Housing Fund	£135,562	29 March 2024	Spent towards the management of Hillingdon's S106 Affordable Housing Fund. 2023/24
4	LBH Construction, Apprenticeships and Professional Development	£96,500	31 March 2024	Support for Hillingdon construction Training programme & support for LBH Construction Apprenticeships scheme
5	Contract award for the Provision of a Construction Training Coordinator Service	£95,285	31 March 2024	Spent towards Qualify Me Coordinator service 2023/24

17. Full details on all S106 expenditure projects are included in the IFS report.

New S106 Obligations

18. In addition to the receipt and spend of existing allocations the IFS also shows that the council negotiated 77 new or variations to legal agreements during the reporting period. The total value of new financial S106 obligation secured in these agreements is £8.4 million. It is important to note that these contributions will only become due if a development commences and then when it reaches the relevant trigger point. Some contributions may also alter in value post permission based on further information provided as part of the discharge of conditions. This makes it difficult to forecast likely future income from S106 agreements. A full list of all the new obligations negotiated is set out in the appendices of the IFS.

Financial Implications

19. The publication of the IFS itself does not have any financial implications.

20. The IFS is only a record of how planning obligations have been collected and spent. It therefore contains a record of many decisions that were subject to the relevant democratic process and would have had financial implications assessed.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities?

CIL and S106 agreements are important tools for local authorities to use to help deliver the infrastructure needed to support development in its area. The publication of the IFS ensures these obligations can still be secured from developers and provides transparency to residents, service users and communities interested in knowing what was collected and delivered in the last financial year.

Consultation & Engagement carried out (or required)

The IFS is a statutory document required through the Community Infrastructure Levy (CIL) Regulations and does not require public consultation.

The report will be published in the public domain for residents and businesses to read, in addition to the other information published periodically on the Council's website.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance have reviewed this report and concur with the Financial Implications set out above, noting there are no direct financial implications associated with the recommendations in this report. Furthermore, it is noted that the decisions contained within in the statement have been subject to the relevant governance and democratic processes.

Legal

In accordance with Regulation 121A of the Community Infrastructure Levy Regulations 2010 (“CIL Regs”) (as amended), as a contribution receiving authority (as defined in Regulation 121A (5) (a)), the Council must publish on its website by 31 December of each calendar year the **annual infrastructure funding statement** which comprises:

- (c) a statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL (“**the infrastructure list**”);
- (c) a report about CIL, in relation to the previous financial year (“**the reported year**”), to include matters listed in paragraph 3 of Schedule 2 of the CIL Regs; and
- (c) a report about planning obligations in relation to the reported year, to include matters listed in paragraph 3 of Schedule 2 of the CIL Regs and may include matters referred in paragraph 3 Schedule 2 (“**the section 106 report**”).

The recommendation in this report seeks to fulfil the Council’s statutory duty under the aforementioned CIL Regs.

BACKGROUND PAPERS

NIL