



*City of*  
**BRADFORD**  
METROPOLITAN DISTRICT COUNCIL

# Infrastructure Funding Statement

2020/2021

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# 1. Introduction

**1.1 The Infrastructure Funding Statement (IFS) is an annual report that has to be published by 31st December each year. The report will be updated annually and published on the Council's website.**

1.2 The IFS provides a summary of financial developer contributions secured either through Section 106 Agreements or Community Infrastructure Levy (CIL) payments within Bradford District each financial year.

1.3 Within the IFS the following definitions will apply:

- **Agreed** – contributions agreed and contained within a sealed Section 106 Agreement.
- **Received** – contributions which have been paid to Bradford Council by a developer.
- **Spent/delivered** – contributions which have been spent on infrastructure either in their entirety or pooled with other contributions/funding to help deliver larger schemes

Please note the information reported in this document is the most accurate available at the time of publication.

## 2. Section 106 Agreements and Obligations

2.1 Under Section 106 of the Town and Country Planning Act 1990 a Local Planning Authority (LPA) may seek obligations to help mitigate the impact a new development may have on the surrounding area.

2.2 Obligations can be provided in either the form of financial payments or through the delivery of on site provision such as affordable housing units.

Contributions sought must be:

- Necessary to make the development acceptable in planning terms
- Directly related to the development
- Fair and reasonable in scale to the development

### 2.3 Section 106 Agreement information for year 2020/2021 with a financial contribution

2.4 Table 1 details the financial contributions that have been agreed through signed Section 106 Agreements and Deed of Variations to previous Section 106 Agreements in financial year 2020/2021.

**Table 1: Financial contributions signed in 2020/2021**

Infrastructure area	Contributions agreed
Affordable housing	£90,333.33
Education infrastructure	£1,000,000.00
Highways infrastructure	£25,000.00
West Yorkshire Combined Authority – public transport infrastructure	£186,000.00
Footpaths	£21,188.00
Drainage	£50,000.00
Habitats and Biodiversity mitigation	£53,000.00
<b>Total</b>	<b>£1,690,624.33</b>

2.5 Section 106 Agreements are legally binding and their compliance will be pursued once the planning permission it relates to is implemented and a trigger point for payment of monies or completion of physical works is met. When the planning permission is granted, the Section 106 Agreement is registered as a land charge and remains tied to the land whilst ever that development is in use. If the land owner changes over the course of the development, the new land owner will automatically be legally bound to ensure compliance with the Section 106 Agreement and its obligations.

2.6 Table 2 details the Section 106 payments received in year 2020/2021. Section 106 payments are normally due when a particular trigger point has been met. Often a trigger point is based on occupation levels and therefore most of the payments received in year 2020/2021 will come from an Agreement which predates this period.

**Table 2: Section 106 Agreements financial payments received in 2020/2021**

Infrastructure area	Payments received
Education infrastructure	£558,841.00
Recreation infrastructure	£194,060.17
Footpaths and Rights of Way	£12,308.27
Habitat mitigation	£5,743.50
Highways infrastructure	£121,275.00
West Yorkshire Combined Authority	£43,500.00
<b>Total</b>	<b>£935,728.74</b>

## 2.7 Section 106 Agreement payments unspent and held by the Council

2.8 Section 106 deposits are held by Bradford Council. Often contributions have to be pooled together to accumulate enough funding to finance a project.

2.9 At present Bradford Council has a balance of £9,518,931.63 in unspent Section 106 contributions. Table 3 provides a breakdown of this balance.

**Table 3: Breakdown of unspent Section 106 contributions**

Infrastructure area	Balance held
Affordable housing	£4,127,287.88
Education	£2,186,780.74
Habitat mitigation	£121,344.52
Footpaths / Rights of ay	£45,712.20
Highway works	£1,062,307.03
Recreation	£1,803,620.00
West Yorkshire Combined Authority	£171,879.26
<b>Total</b>	<b>£9,518,931.63</b>

2.10 The deposits held will be spent on infrastructure and/or geographical area identified in the Section 106 Agreement which secures its payment. Officers are working to identify suitable projects that are in line with the Council's priorities and also comply with the terms of the Section 106 Agreement.



## 3. Monitoring Fees

**3.1 The Community Infrastructure Levy (Amendment) (England) (No2) Regulations 2019 now allow for Local Authorities to charge a monitoring fee through section 106 obligations. The monitoring fee is to cover the cost of monitoring and reporting on delivery of Section 106 obligations.**

- Monitoring fees can be used for the monitoring and reporting on any type of planning obligation.
- Monitoring fees cannot be sought retrospectively for historic agreements.
- Monitoring fees are set by individual Authorities and must be proportionate and reasonable.
- Bradford Council currently charge a monitoring fee of £350 per obligation.

This fee is subject to review and discussions are taking place to consider amending this fee.

# 4. Community Infrastructure Levy (CIL)

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## 4.1 Bradford Council became a Community Infrastructure Levy (CIL) charging authority on 1st July 2017.

4.2 The Community Infrastructure Levy (CIL) is intended as a means of contributing to the funding of infrastructure required to support the delivery of the Local Plan, including the adopted Core Strategy and other Development Plan Documents. It replaces part of the system of Planning Obligations (S106 Agreements), the scope of which has been restricted since 6 April 2015.

## 4.3 CIL demand notices issued 2020/2021

4.4 CIL is payable when a development commences. A demand notice is raised when the payment becomes due and will set out the number of instalments the payment is to be made in. The instalments are detailed in the adopted instalment policy and are based on the total amount of the liability due.

4.5 The instalment policy allows for payments to be made over 90 days from the date of commencement up to two years from the date of commencement.

4.6 In year 2020/2021 a total of 45 CIL demand notices were issued.

4.7 The total CIL liability requested for payment through these demand notices was £1,269,033.00.

## 4.8 CIL payments received during 2020/2021

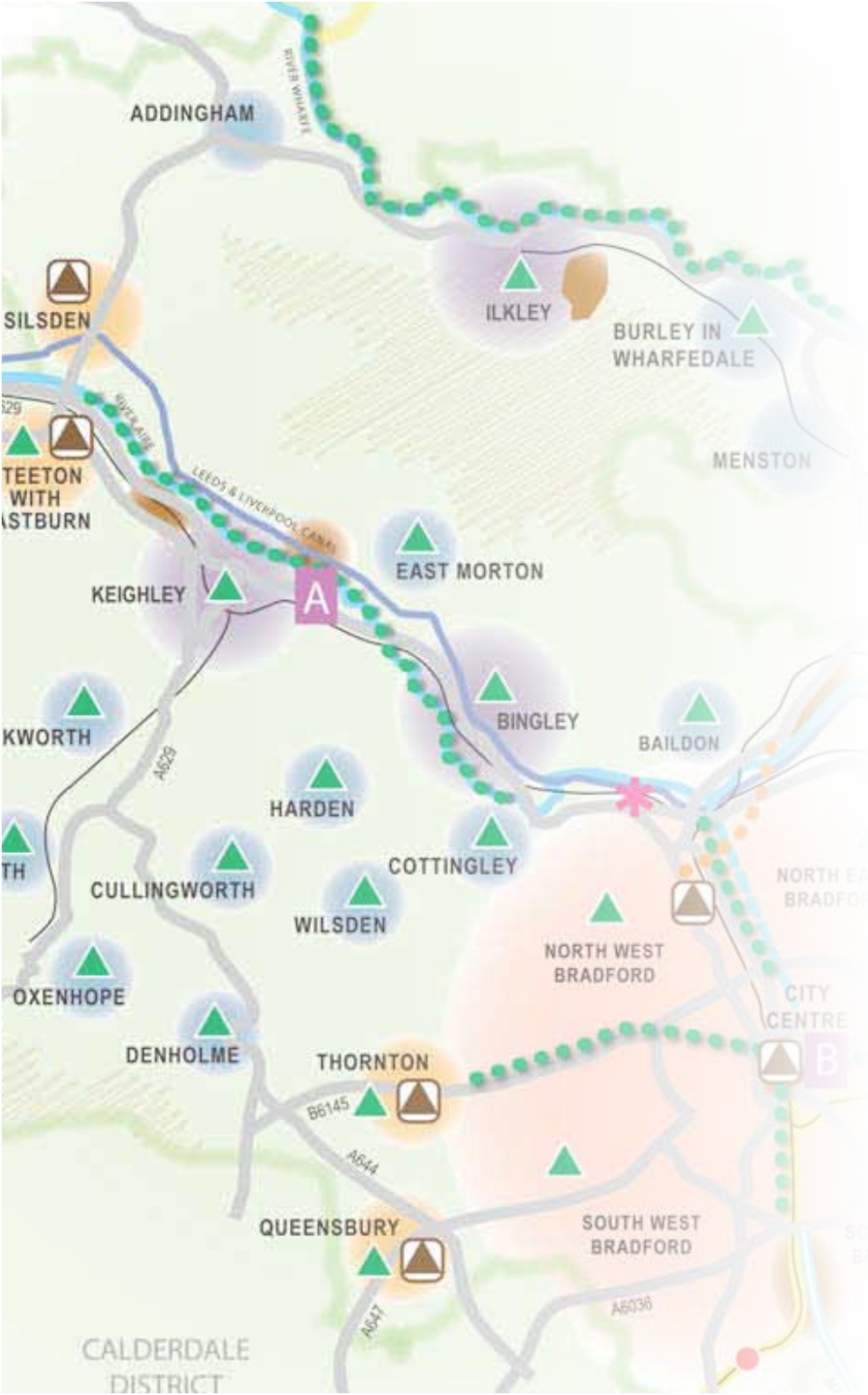
4.9 The total amount of CIL payments received during 2020/2021 was £1,238,984.37 this includes surcharges of £6,270.00.

4.10 As the instalment policy allows for payments to be made up to two years from the date of commencement, the total CIL payments received in 2020/2021 will be comprised of payments made following demand notices raised in previous financial years and not just 2020/2021.

4.11 CIL regulations allow for up to 5% of the CIL receipts to be retained by the charging authority to cover the costs of administering CIL.

4.12 In line with the CIL Regulations 2010 (as amended) 15% of CIL income will be passed directly to those parish and town councils where development has taken place (the neighbourhood proportion), subject to the cap set in national CIL regulations. This will increase to 25% in any areas with an adopted neighbourhood plan.





4.13 Table 4 provides a breakdown of the CIL payments received, the administration fee retained, the total amount passed to parish and town councils and the total amount retained by the council to be spent in wards where a parish or town council is not in operation but a CIL payment has been received.

**Table 4: Breakdown of retained and transferred CIL monies**

5% administration sum retained	£48,906.26
Parish/Town Council transfers	£161,757.05
Ward payments held centrally	£25,918.75

#### 4.14 CIL receipts allocated and spent in year 2020/2021

4.15 Executive Committee resolved on the 6th July 2021 to allocate the CIL receipts received for year 2020/2021 as follows:

Infrastructure Type	Allocation of CIL Strategic Fund (2020/2021)	Reason for allocation
Education including primary and secondary provision	30% of balance after Strategic CIL pot deposit <b>£240,576.56</b>	There is a proven link between the provision of new houses in a given area and increased pressure for additional school places.
Recreation and open space	20% of balance after Strategic CIL pot deposit <b>£160,384.38</b>	There is a proven link between the provision of new houses in a given area and increased pressure on existing recreational facilities.
Habitat mitigation schemes including Suitable Alternative Natural Greenspace	20% of balance after Strategic CIL pot deposit <b>£160,384.38</b>	Required by European legislation.
Electric Vehicle Charging Points	5% of balance after Strategic CIL pot deposit <b>£40,096.09</b>	It is a Council priority to develop a Clean Air Plan following a ministerial directive in 2018. Electric vehicles will assist in this priority.
Cycle Links	10% of the balance after Strategic CIL pot deposit <b>£80,192.18</b>	There is a proven link between the provision of new houses and an increased pressure on the existing cycle network.
Clean Air Plan	10% of the balance after Strategic CIL pot deposit <b>£80,192.18</b>	To support the previously approved Clean Air Plan and to mitigate the impact of new developments on air quality.
Libraries	10% of the balance after Strategic CIL pot deposit <b>£80,192.18</b>	New developments create additional strain on existing facilities. The council has an Executive approved vision for the District to help mitigate demand.

## 4.16 CIL payments allocated and unspent by the Council

4.17 CIL allocations are agreed annually by the Executive Committee. Allocations must be spent within 5 years or the sum is returned to the CIL “pot” for reallocation.

4.18 To date there have been three annual CIL allocations by the Executive Committee. Table 5 below provides a breakdown of the total amount allocated and the current unspent balance being held.

**Table 5: Breakdown of allocated CIL funds which remain unspent**

Infrastructure area	2017/2019 allocation	2019/2020 allocation	2020/2021 allocation	Unspent balance
Education	£90,274.76	£125,605.45	£240,576.56	£240,576.56
Recreation	£67,706.07	£89,718.18	£160,384.38	£311,193.25
Green Infrastructure	£33,853.04	£53,830.90	n/a	£87,683.94
Habitat mitigation	£33,853.04	£53,830.90	£120,288.28	£207,972.22
Electric vehicle charging points	n/a	£35,887.27	£40,096.09	£75,983.36
Cycle links	n/a	n/a	£80,192.18	£80,192.18
Clean air plan	n/a	n/a	£80,192.18	£80,192.18
Libraries	n/a	n/a	£80,192.18	£80,192.18

4.19 Members of the Executive Committee in July 2019, resolved that a minimum of 20% of CIL receipts received each year shall be retained and not allocated to a specific infrastructure area.

4.20 The aim of this funding pot would be to support the delivery of future strategic infrastructure projects which may come forward in the future.

4.21 This funding pot would be separate to any CIL funds allocated to internal infrastructure providers such as education, recreation and green infrastructure.

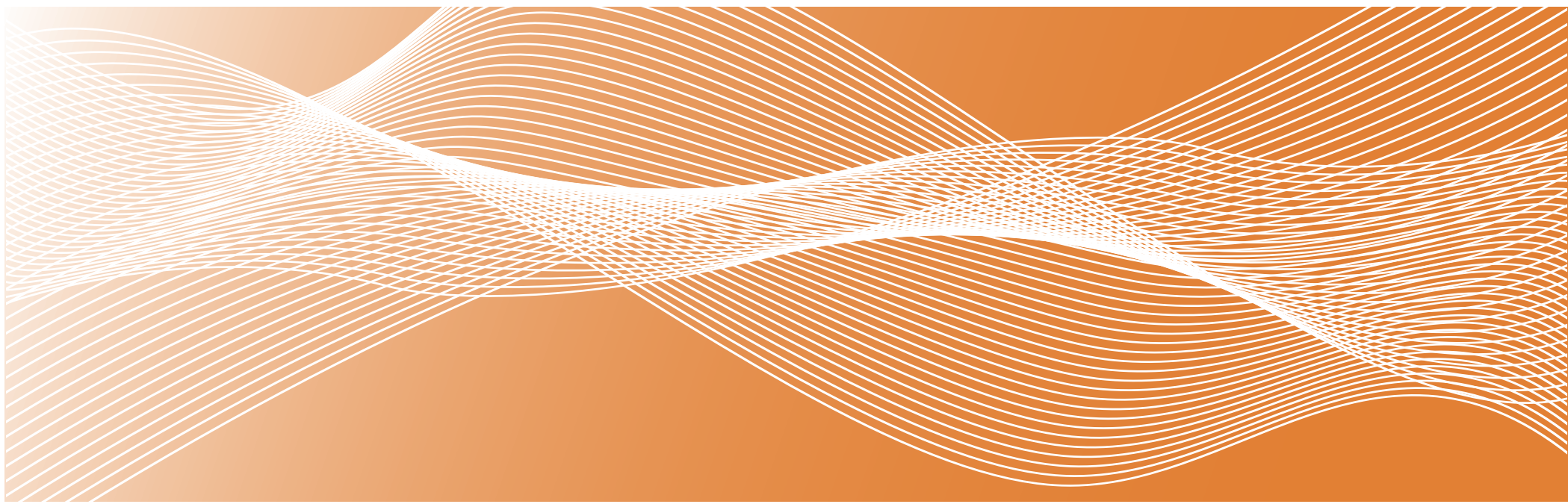
## 5. Conclusion

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Bradford Council are committed to ensuring all planning contributions are used in a fair and transparent way whilst meeting the requirements set out in either the Section 106 Agreement or CIL regulations.

A need to improve on the utilisation of developer funding received has been identified and steps are being taken to progress and develop the spend process as part of a coordinated response.





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