

Infrastructure Funding Statement

December 2020

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1 Executive Summary

Following amendments to the Community Infrastructure Levy Regulations in 2019, Melton Borough Council has produced its first Infrastructure Funding Statement (IFS). The IFS provides a summary of all financial and non-financial developer contributions activity for the previous financial. These statements are intended to help local communities and developers see how contributions have been spent and understand what future funds will be spent on, ensuring a transparent and accountable process.

This statement covers the period April 1st 2019 to March 31st 2020 (shown as 2019/20).

As MBC has currently paused proceedings on adopting a Community Infrastructure Levy (CIL) this IFS will not include any details on CIL payments as, MBC only use section 106 agreements to secure developer contributions. Large-scale infrastructure such as; educational facilities, highways, and waste are delivered by Leicestershire County Council. Therefore, please refer to LCC's IFS for details on developer contributions for large-scale infrastructure.

Out of the 10 section 106 agreements that were signed in 2019/20 period the following developer contributions were secured

- £329,657.27 worth of MBC financial developer contributions
- 75 Affordable Housing Units
- 3 On-site Open Spaces

In 2019/20 MBC received £70,425.35 of financial developer contributions that covered infrastructure and projects such as; healthcare, open space and monitoring. To some extent this total is low, however this represents a period of time 2016-17 when planning applications were low in numbers due to the imminent adoption of the Melton Local Plan. We are expecting the amount of received contributions to rise in the coming years, as more developments commence across the Borough.

During the period 2019/20 we have allocated funds towards the enhancements of Melton Country Park a key asset of MBC, once funds have accumulated from various developments we hope to improve accessibility, and enhance the parks offerings.

In addition, MBC have spent contributions in this period on the monitoring developer contributions and have transferred £67,378.92 to East Leicestershire and Rutland CCG for improving healthcare facilities at Latham House Medical Practice.

Over the coming years MBC will work with infrastructure partners collaboratively to ensure developer contributions meet the necessary infrastructure needs associated with the development growth throughout the Borough. This will all be monitored and published through these annual statements going forward.

2 Introduction

2.1 Purpose of this document

The Infrastructure Funding Statement (IFS) 2020 is the first time this document has been published and will be updated and published annually every December in line with the regulation that came into force on the 1st September 2019, in [The Community Infrastructure Levy \(Amendment\) \(England\) \(No. 2\) Regulations 2019](#).

The IFS provides a summary of all financial and non-financial developer contributions activity for the previous financial. This statement covers the period April 1st 2019 to March 31st 2020. These statements are intended to help local communities and developers see how contributions have been spent and understand what future funds will be spent on, ensuring a transparent and accountable system (Planning Practice Guidance, para 172).

2.2 What are Developer Contributions?

This section aims to give an overview of developer contributions to people who are unfamiliar of the concept and processes.

New developments can make a positive addition to an area, for example, providing new homes and jobs. However they can also have an impact on the local community, placing additional pressures on the local infrastructure and facilities such as the local schools, highways, community facilities etc. Effective use of obligations and contributions can play a vital role in ensuring that necessary infrastructure provision keeps pace with new development.

Where new development is acceptable in principle but the proposal raises negative impacts, developer contributions can help to reduce or mitigate its impact on the locality by requiring a developer to either deliver or contribute to services / facilities by way of either physical works or financial contributions. The impact of new development will vary between development sites and any planning obligation should reflect the specific requirements of the locality.

Developer contributions can be contained within Section 106 agreements, which are legal agreements between the Council, landowners/developers and/or infrastructure providers to help make a development acceptable in planning terms, that bind parties to providing or contributing funding towards the delivery of infrastructure.

Another type of planning obligation is the Community Infrastructure Levy (CIL) which is a planning charge introduced by the Planning Act 2008 as a tool to help deliver infrastructure to support the development of the local area. Local authorities can choose to introduce a CIL which is calculated on a £ per square metre basis on new development.

Developer contributions may only be requested if they meet the 3 statutory tests as set out in the [Community Infrastructure Levy \(CIL\) Regulations 2010 \(as amended\)](#) and in paragraph 56 of the NPPF; they are

- necessary to make the development acceptable in planning terms,
- directly related to the development, and
- fairly and reasonably related in scale and kind.

The implementation of infrastructure after receiving the developer contributions is carried out by Melton Borough Council (MBC), Leicestershire County Council (LCC) and infrastructure providers such as Leicestershire Constabulary, Clinical Commissioning Groups (CCG), and Parish Councils etc. Large-scale infrastructure including but not limited to educational facilities, highways, and waste are delivered by Leicestershire County Council. Consequently please look at their IFS for details on developer contributions for large-scale infrastructure.

2.3 Policy Context

This document is now required by the Ministry of Housing, Communities and Local Government (MHCLG) when they published [Community Infrastructure Levy \(Amendment\) \(England\) \(No. 2\) Regulations 2019](#). The legislation states;

121A.—(1) Subject to paragraph (2), no later than 31st December in each calendar year a contribution receiving authority must publish a document (“the annual infrastructure funding statement”) which comprises the following—

(a) 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 (other than CIL to which regulation 59E or 59F applies) (“the infrastructure list”);

(b) a report about CIL, in relation to the previous financial year (“the reported year”), which includes the matters specified in paragraph 1 of Schedule 2 (“CIL report”);

(c) a report about planning obligations, in relation to the reported year, which includes the matters specified in paragraph 3 of Schedule 2 and may include the matters specified in paragraph 4 of that Schedule (“section 106 report”).

Further guidance has been provided in [planning practice guidance](#) detailing the content of the IFS.

From a local perspective this document will support the monitoring of [Policy IN3 Infrastructure Contributions and Community Infrastructure levy](#) in the Melton Local Plan.

3 The CIL Report

In 2017 Melton Borough Council began work on creating a Community Infrastructure Levy Charging Schedule; this included an undertaking a viability assessment. From this work and a public consultation it was decided in July 2019 by council members that progress on CIL be suspended until a time where the council believes it is a suitable approach for MBC.

Therefore this Infrastructure Funding Statement will not include any details on CIL payments as MBC only use section 106 agreements to secure developer contributions.

4 The Section 106 Report

The details set out under each heading of this Section 106 report is based on the requirements set out in Schedule 2 of the CIL Regulations 2019 and records only those contributions that are applicable to Melton Borough Council. For other contributions relating to planning application within the Melton Borough please see [Leicestershire County Councils](#) Infrastructure Funding Statement.

4.1 Financial contributions in favour of MBC secured from section 106 agreements signed in 2019/20;

Planning Application	Location	Purpose	Contribution Amount (£)
16/00907/OUT	Melton Road Asfordby Hill	Open space and Leisure	£35,561.78
		Section 106 Monitoring Fees	£404.25
17/01577/OUT	Grantham Road Bottesford	Section 106 Monitoring Fees	£1,039.50
18/00500/OUT	Harby Lane Hose	Healthcare	£10,611.22
		Section 106 Monitoring Fees	£500.00
18/00518/FUL	Scalford Road Melton Mowbray	Off-Site Affordable Housing	£210,000
		Healthcare	£24,307.00
18/00721/OUT	Burdetts Close Great Dalby	Healthcare	£7,260.78
		Open space and Leisure	£18,000.00
19/00217/FUL	Leicester Road Melton Mowbray	Open space and Leisure	£2,000
19/00342/FUL	St Bartholomews Way Melton Mowbray	Healthcare	£18,222.74
		Section 106 Monitoring Fees	£1,750.00
Total			£329,657.27

4.1.1 The figures above represent a snapshot in time whereby planning obligations can be renegotiated at any point, where the local planning authority and developer wish to do so. This is especially relevant at the reserved matters stage of a planning application when the number of dwellings is finalised.

4.2 Affordable Housing secured from section 106 agreements signed in 2019/20;

Planning Application	Location	No. of Affordable Homes
16/00560/OUT	Waltham Lane, Long Clawson	15
17/01577/OUT	Grantham Road, Bottesford	13
18/00500/OUT	Harby Lane, Hose	11
18/00721/OUT	Burdetts Close, Great Dalby	14
19/00217/FUL	Leicester Road, Melton Mowbray	14
19/00342/FUL	St Bartholomews Way, Melton Mowbray	8
Total		75

4.3 Other non-monetary contributions secured from section 106 agreements signed in 2019/20;

Planning Application	Location	Purpose
16/00907/OUT	Melton Road, Asfordby Hill	On-site Open Space
17/01577/OUT	Grantham Road, Bottesford	On-site Open Space
19/00342/FUL	St Bartholomews Way, Melton Mowbray	On-site Open Space

4.3.1 During the course of the development, the developer may decide that the maintenance of the open space should be carried out by MBC. If this occurs then we will be formulating a request of a maintenance commuted sum. However the developer is free to choose other companies to maintain the site.

4.4 Financial contributions received in 2019/20;

Planning Application	Location	Purpose	Contribution Amount (£)
16/00290/FUL	Leicester Road Melton Mowbray	Healthcare	£67,378.92
19/00217/FUL	Leicester Road Melton Mowbray	Open space and Leisure	£2,000.00
13/00844/FUL	Mill Street Melton Mowbray	Section 106 Monitoring Fees	£1,046.43
Total			£70,425.35

4.4.1 To some extent this total is low, however this represents a period of time 2016-17 when planning applications were low in numbers due to the imminent adoption of the Melton Local Plan. We are expecting the amount of received contributions to rise in the coming years, as more developments commence across the Borough.

4.5 Allocated (not spent) Developer Contributions;

Planning Application	Location	Contribution Amount (£)	Allocated to
13/00497/FUL	Scalford Road Melton Mowbray	£13,600	Towards the enhancement of Melton Country Park, specifically a pathway from new housing development
14/00078/OUT	Nottingham Road Melton Mowbray	£16,836.03	Towards the enhancement of Melton Country Park

4.5.1 Melton Country Park is significant piece of open space within the Borough. Consequently to support the planned growth within the northern area of Melton Mowbray contributions have been sought to enhance the parks accessibility and facilities. To achieve these enhancements MBC are accumulating funds from a series of developments before spending the money.

4.6 The total amount of money which was spent during 2019/20 (including transferring it to another person to spend);

Purpose	Contribution Amount (£)	Infrastructure/Project	Status
Healthcare (CCG)	£67,378.92	Internal reconfiguration of Latham House Medical Centre to increase clinical capacity.	Transferred to East Leicestershire CCG
Section 106 Monitoring Fees	£3,320.28	Contributes to operational staff who monitor developer contributions	Spent by MBC
Total	£70,699.20		

4.6.1 Any monetary contribution that is transferred to an infrastructure provider such as a Clinical Commissioning Group (CCG) will be regularly monitored by MBC to confirm its status and establish when the infrastructure will be implemented.

4.6.2 MBC collect section 106 monitoring fees which go towards wages of the monitoring staff. This ensures MBC monitor a developments trigger points, request the contribution and monitor how it is spent. MBC are currently in the process of creating a Developer Contributions Supplementary Planning Document, within this document it will state clearly how MBC will request monitoring contributions to provide a more standardised basis.

4.7 Retained Developer Contributions at the end of 2019/20;

Planning Application	Location	Purpose	Contribution Amount (£)
13/00552/FUL	Main Road Brentingby	Wind Turbine Decommissioning Bond	£15,000

4.7.1 The decommissioning bond that is stated above has been held by MBC for 3 years and is part of the 13/00552/FUL application for the wind turbine in Brentingby. This bond will be held by MBC for 25 Years after the wind turbine was first switched on.

4.8 Please see Appendix A for all information related to regulation 121A paragraph 3 (matters to be included in the S106 report) of the CIL regulations 2010 as amended.

5 Future Infrastructure Projects

This section will briefly discuss the projects and infrastructure MBC are aiming to implement as part of the planned growth within the Borough. Some of the projects below will need the accumulation of funds to occur therefore, the timescales are currently unknown as this will rely on developments coming forward.

5.1 Developer Contributions Supplementary Planning Document

MBC are currently working on producing a Developer Contributions Supplementary Planning Document (SPD). This document will be seen as a guide to MBC's developer contribution procedure and be used by planning officers, developers and planning committee. A key section of the SPD will be how we set out the priorities for infrastructure which will influence the negotiation stage.

We hope to have this document adopted in Spring 2021, this document will then be used throughout the planning application process when developer contributions are needed to mitigate its impact. The use of this document we hope will enable a stronger negotiation position for MBC.

5.2 Affordable Housing

The need for affordable housing within the Melton Borough is prominent, as it is across the nation. The Leicester and Leicestershire Housing and Economic Development Needs Assessment (HEDNA), has identified the affordable housing need across the Borough of Melton as being 70dpa and a total of 1750 dwellings over the total Local Plan period (2011-2036).

Therefore to support the implementation of affordable homes, last year we adopted a [Housing Mix and Affordable Housing SPD](#) (Jul 2019). Our aim is to use this document to clearly outline how MBC will seek affordable housing whether that be in-kind or as a financial contribution. Over the next few years this document will be used as a guide when securing affordable housing for applications across the Borough.

5.3 Open space strategy

Securing open space whether on-site or off-site is an important priority for MBC. Consequently we have recently adopted our [Open Space Strategy and Action Plan](#) (Nov 2020). That document illustrates MBC's strategy to creating and maintaining open spaces within Melton Mowbray. In addition a key action point is the need for developer contributions to apply to new open space provision, but also to secure resources to maintain current open spaces. Therefore in the future the strategy will be used during discussions with developers to ensure sufficient amount of open space is secured or an alternative financial contribution is requested.

5.4 Healthcare

The long term growth of the Borough illustrated within the Melton Local Plan will inevitably increase patient's numbers across all of the Boroughs General Practices. Therefore MBC will

be working collaboratively with both the East Leicestershire & Rutland CCG and the Lincolnshire CCG to support the use of developer contributions to implement primary healthcare infrastructure. This may include the expansion of GP practices, creation of new GP practices, invest in new equipment etc.

5.5 MMDR

A key infrastructure project that MBC and LCC are working collectively on is the creation of the [Melton Mowbray Distributor Road](#). The aim of the scheme is to improve access to future housing and employment growth, reduce congestion and reduce HGV travelling into the town centre. Although the scheme has received government funding, developer contributions will be needed to complete the full extent of the road. Details of the funding secured will be contained with the LCC Infrastructure Statement as the contribution holder, therefore for more details please see their statement.

Appendix A - Matters to be included in S106 Report under regulation 121A paragraph 3

(a) The total amount of money to be provided under any planning obligations which were entered into during the reported year; **£329,657.27**

(b) The total amount of money under any planning obligations which was received during the reported year; **£70,425.35**

(c) The total amount of money under any planning obligations which was received before the reported year which has not been allocated by the authority; **£0.00**

(d) Summary details of any non-monetary contributions to be provided under planning obligations which were entered into during the reported year, including details of—

(i) In relation to affordable housing, the total number of units which will be provided; **75 Units**

(ii) In relation to educational facilities, the number of school places for pupils which will be provided, and the category of school at which they will be provided; **Please refer to Infrastructure Funding Statement of Leicestershire County Council for details regarding educational provisions (www.leicestershire.gov.uk).**

(e) The total amount of money (received under any planning obligations) which was allocated but not spent during the reported year for funding infrastructure; **£30,436.03**

(f) The total amount of money (received under any planning obligations) which was spent by the authority (including transferring it to another person to spend); **£70,699.20**

(g) In relation to money (received under planning obligations) which was allocated by the authority but not spent during the reported year, summary details of the items of infrastructure on which the money has been allocated, and the amount of money allocated to each item;

Contribution Amount (£)	Allocated to
£13,600	Towards the enhancement of Melton Country Park, specifically a pathway from new housing development
£16,836.03	Towards the enhancement of Melton Country Park

(h) In relation to money (received under planning obligations) which was spent by the authority during the reported year (including transferring it to another person to spend), summary details of

(i) The items of infrastructure on which that money (received under planning obligations) was spent, and the amount spent on each item;

Contribution Amount (£)	Infrastructure/Project	Status
£67,378.92	Internal reconfiguration of Latham House Medical Centre to increase clinical capacity.	Transferred to East Leicestershire CCG

(ii) The amount of money (received under planning obligations) spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide (wholly or in part); **£0.00**

(iii) The amount of money (received under planning obligations) spent in respect of monitoring (including reporting under regulation 121A) in relation to the delivery of planning obligations; **£3,320.28**

(i) The total amount of money (received under any planning obligations) during any year which was retained at the end of the reported year, and where any of the retained money has been allocated for the purposes of longer term maintenance (“commuted sums”), also identify separately the total amount of commuted sums held.

Contribution Amount (£)	Purpose
£15,000	Wind Turbine Decommissioning Bond

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