

From: **David Wimble, Cabinet Member for Economic Development & Special Projects**

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To: **Growth, Environment and Transport Cabinet Committee - 13 January 2026**

Subject: **2025 Infrastructure Funding Statement**

Classification: **Unrestricted**

**Past Pathway of report:** N/A

**Future Pathway of report:** N/A

**Electoral Division:** County Wide

**Summary:** Kent County Council (KCC) is required by statute to provide a summary of the financial position relating to Developer Contributions for the previous financial year through publication of an annual Infrastructure Funding Statement. This report provides a summary of that Statement.

**Recommendation:**

The Cabinet Committee is asked to note the contents of the report.

## **1. Introduction**

- 1.1 Through the Community Infrastructure Levy (amendment) (England) (no.2) Regulations 2019, Local Authorities have a responsibility to provide a summary of all financial and non-financial developer contributions that they have been involved with over the course of a given financial year. The Infrastructure Funding Statement (IFS) is the platform through which to do this and must include a report on Planning Obligations relating to Section 106 (s106) of the Town and County Planning Act 1990, Section 278 (s278) of the Highways Act 1980 and the Community Infrastructure Levy (CIL).
- 1.2 Along with summary information, the latest IFS also provides some examples of infrastructure projects that Kent County Council (KCC) has delivered within specific District authority areas during 2024/25. This has been included to demonstrate how developer contributions are an essential tool in unlocking and delivering growth across the county. The statement is produced by the Development Investment Team (DIT) within the Growth and Communities Division, with assistance from services across the wider Authority.

## **2. 2024/2025 Infrastructure Funding Statement**

- 2.1 The IFS document has been attached as Appendix 1 or can be viewed online, along with previous versions, via [KCC Infrastructure Funding Statements](#).

2.2 Throughout the IFS there will be references to the following definitions:

**Secured** – Contributions that have been included within a signed legal document for a planning application. These contributions have not been collected / delivered and if the planning application is not implemented, they will never be received.

**Received** – Contributions received, either monetary or non-monetary (in kind), that have been transferred to KCC.

**Allocated** – Contributions that have been received and allocated to specific projects.

**Spent / Delivered** – Monetary or non-monetary contributions that have been spent or delivered.

**This Financial Year** - unless stated otherwise, this refers to the period 01/04/2024 – 31/03/2025.

**District** – unless stated otherwise, this refers to one or more of Kent's District, City and Borough Councils.

2.3 S106 Contributions

2.4 Section 106 monies are secured for a range of infrastructure. **They can only be sought where they meet the three legal tests** as set out in paragraph 122 of the Community Infrastructure Levy Regulations 2010:

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

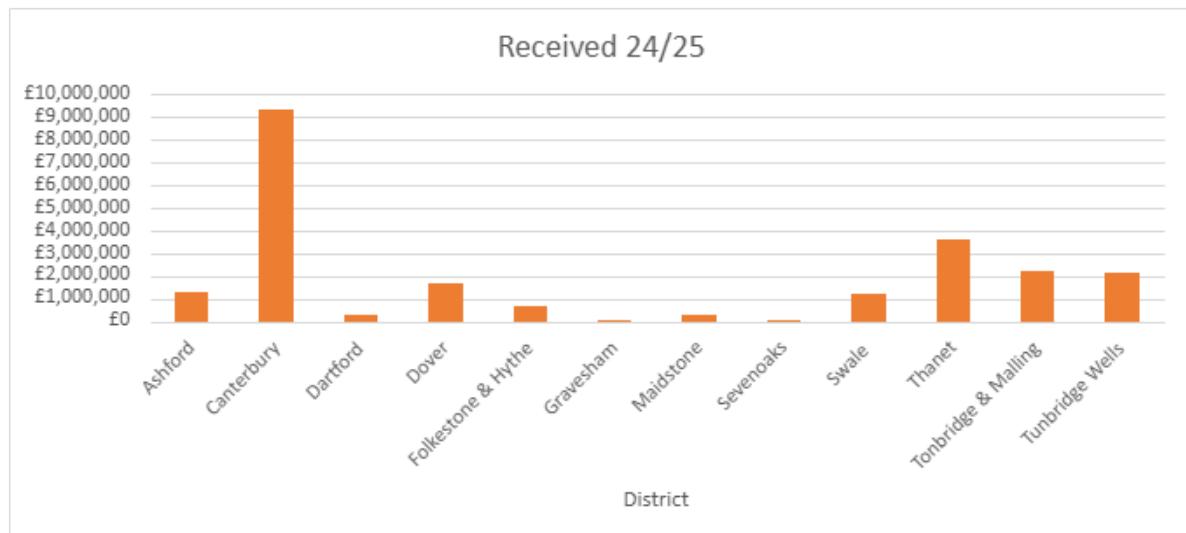
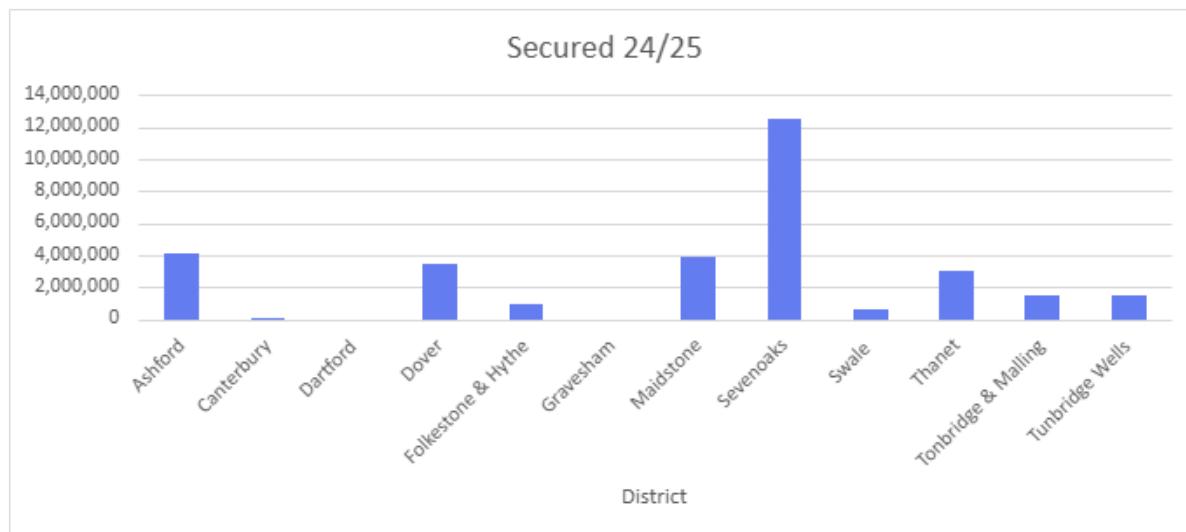
2.5 KCC secures contributions towards primary and secondary education, SEND, highways and transportation, adult social care, sustainable urban drainage, strategic waste disposal services, libraries, adult education and integrated children's services. In most instances KCC will have ten years to allocate funding received.

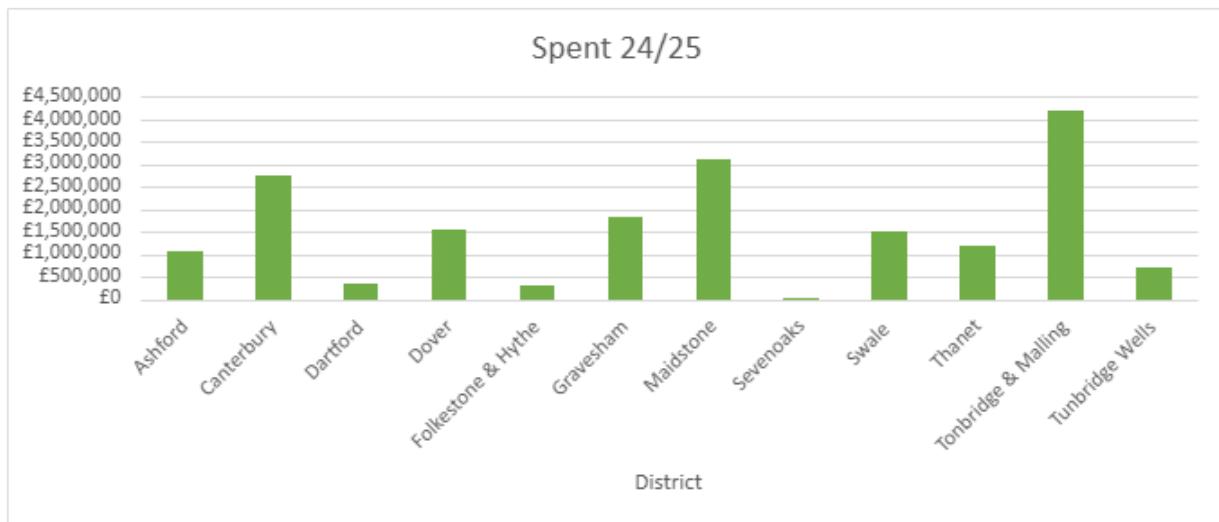
**Table 1** below shows the total amount of s106 money secured, received and spent during the financial year 2024/2025.

Service Area	Secured	Received	Spent
Adult Social Care	£360,811	£368,030	£444,084
Community Services	£338,051	£771,400	£910,445
Education	£24,186,873	£15,101,848	£11,081,755
Education Land	£4,301,965		
Highways	£1,605,091	£6,557,792	£4,359,747
PRoW	£152,372	£252,206	£86,116
Strategic Waste Services	£248,485		

<b>Development Investment Monitoring</b>	£23,700		
<b>Travel Plan Monitoring</b>	£23,266		
<b>Public Transport</b>	£472,700	,	
<b>Total</b>	<b>£31,713,314</b>	<b>£23,452,786</b>	<b>£17,179,137</b>

## 2.6 District Analysis of secured, received and spent contributions in 2024/25





## 2.7 CIL Contributions

2.8 The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008, as a tool for local planning authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. Changes were subsequently made to the Community Infrastructure Levy Regulations through the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 which came into force on 1 September 2019.

2.9 Development may be liable for a charge under CIL depending on rates and criteria that the local planning authority i.e. a district, borough or city council has calculated and set in its area. New developments that create net additional 'gross internal area' of 100 square metres or more, or create new dwellings, are potentially liable for the levy. The levy is a financial tariff paid at a cost per sq. metre of development.

2.10 Developer contributions are secured through the CIL mechanism within five Local Planning Authorities in the county: Canterbury; Dartford; Folkestone and Hythe; Maidstone; and Sevenoaks. In these areas the contributions are collected by the local Planning Authorities. **Table 2** below shows the amount of CIL provisionally secured, received, and spent during the financial year for 2024/2025. Developer contributions for the other Districts are not covered through CIL agreements as these other Districts have not elected at this time to become CIL authorities. A local Planning Authority can be a CIL authority and still seek s106 contributions from a developer. KCC is very supportive of this dual approach. See 2.13 below.

Local Planning Authority	Secured (Provisional)	Received	Spent
Folkestone & Hythe		£547,873	£0

**Table 2.**

2.11 Of the five CIL authorities, contributions were only received in Folkestone and Hythe. The arrangement with Folkestone and Hythe ensures that KCC receives 35% of FHDC's total CIL receipts for the previous financial year. Funds are being collected towards the provision of a waste transfer station.

2.12 The other authorities invite KCC to submit bids to be made towards projects determining their success through their committee systems. There were no rounds open for bids in the last financial year.

2.13 Recognising a shortfall in developer contributions towards, in particular, education, three of the CIL districts, Folkestone and Hythe, Maidstone and Sevenoaks now allow KCC to seek s106 contributions separately (on top of CIL) through s106 agreements for education contributions. This was secured through officer negotiation.

2.14 Section 278 Contributions

2.15 KCC, as the local highway authority, is responsible for the maintenance and development of the local road network within its boundaries. If planning permission has been granted for a development that requires changes or improvements to public highways, then KCC will often enter into a Section 278 (s278) agreement with the developer. As with s106 agreements this can only take place when the requested improvements are compliant with the CIL 122 regulations listed at paragraph 2.4 of this report. A s278 agreement details and enables highway changes to be made which the developer pays for and constructs. Examples of works that may be featured in a s278 agreement include roundabouts, improved facilities for pedestrians and cyclists, and traffic calming measures.

2.16 The value of s278 agreements takes the form of a performance bond paid to KCC by the developer based on the cost of the highway works (including utility works). A performance bond protects KCC against the risk of unforeseen expenditure if the works are not completed by the developer. If the works are delivered, then the bond is repaid to the developer, generally in a series of payments based on completion stages.

2.17 S278 agreements are subject to reasonable and proportionate fees which KCC can charge as part of delivery and monitoring arrangements outlined within each agreement. These charges cover KCC costs associated with the necessary work involved, for example commissioning road safety audits.

2.18 **Table 3** below outlines the value of bonds within signed s278 agreements and fees received in the financial year 2024/2025.

S278 Contributions	Bonds	Fees
	£12,794,207	£1,575,586

**Table 3.**

### **3. Future Spending Priorities and Case Studies**

- 3.1 During the financial year 2024/25, KCC's position with unspent s106 contributions has moved from £119,382,942 to £126,204,464. This is a net increase of 5.4%.
- 3.2 It is important to note that this is not uncommon as some projects require a significant amount of starting capital and the sums are spread across 12 Districts and Boroughs. The figures shown should be placed in context of the size of the county and the costs of specific infrastructure items. For example, the current costs of delivering a two-form entry primary school will be in the region of £11m. It is not uncommon for such a sum to be collected over a number of years from more than one development, depending on any development's size.
- 3.3 Significant funding is being held for the Sturry Link Road, Canterbury, (£6.8m) the Chilmington Green secondary school, Ashford (£6.5m), the expansion of Cornwallis Academy, Maidstone (£3.8m) and a number of Primary Schools. It may often be the case that Highways use s106 contributions as match funding for grant bids to the Government's Large Local Major Road (LLMR) fund, or Major Road Network (MRN) fund. Such schemes take many years to deliver through the design, bidding and build phases. Consequently, large amounts of funding can be anticipated to be held.
- 3.4 The [full statement](#) demonstrates the largest planned infrastructure projects that unspent monies are allocated towards and an estimated date of expenditure. It also includes a breakdown of the funding held per KCC service area. The delivery schedule of these infrastructure projects can be influenced by a number of factors, including whether sufficient finance is available but also land availability and central government policy.
- 3.5 This year's IFS contains the details of five service areas highlighting projects delivered through the expenditure of developer contributions during the 2024/2025 financial year. The statement highlights the financial position of developer contributions and case studies within Adult Social Care, Education, Public Rights of Way and Libraries, Registration & Archives. A detailed breakdown of funding for all 12 Districts and Boroughs can be found on an accompanying spreadsheet, via [the district breakdown](#).

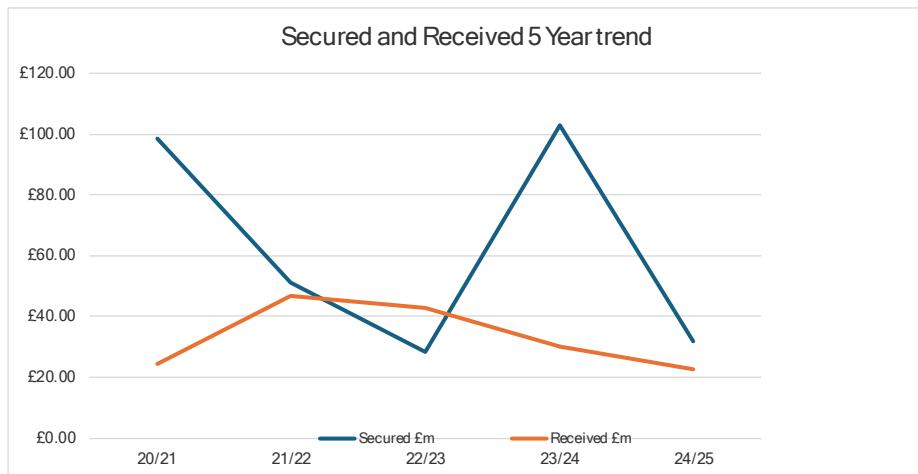
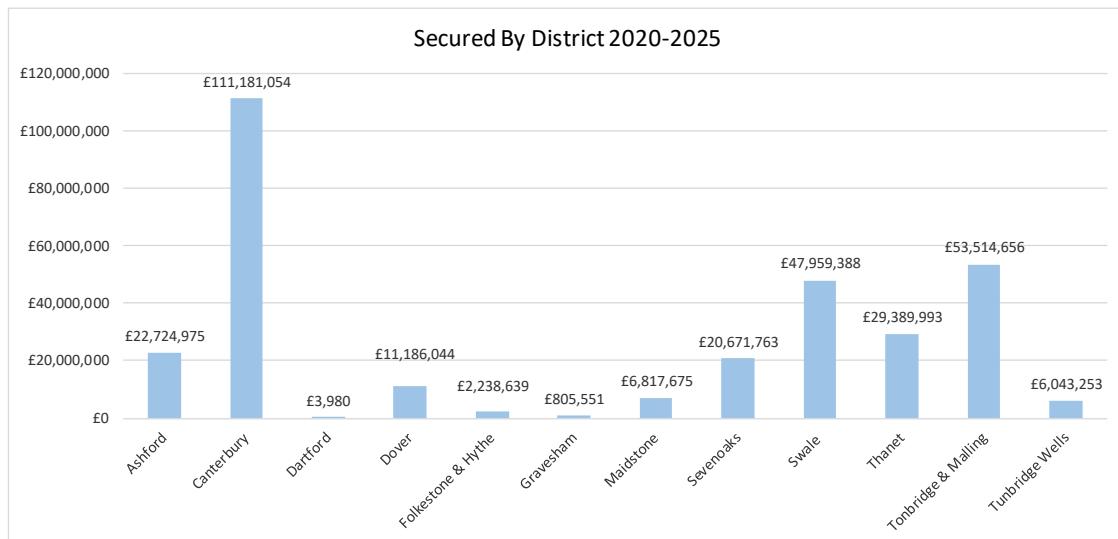
### **4. Financial Implications**

- 4.1 The costs of producing the IFS relate to staff resources and are covered within the budget allocated to the KCC Development Investment Team.
- 4.2 Since the adoption of the KCC [Developer Contributions Guide](#) in 2023, the DIT secures a £300 monitoring fee per trigger payment date. Income received will be monitored under existing financial processes and may in part be used to offset costs relating to the production of the IFS. The guide also introduced contributions to be paid towards Strategic Waste Services and Special Education Needs and Disabilities.

4.3 In order to prepare for future infrastructure requirements, KCC has a ten-year capital programme and receiving funds in advance of spend lowers KCC risk and financial exposure. Whilst many projects are forward funded by KCC, projects are not committed to progress until sufficient levels of developer contributions have been both secured and received

4.4 With the IFS only demonstrating a snapshot of a single year it is not particularly helpful in assessing trends. Although not included in the published IFS, the chart below shows the cumulative amounts secured by District over the past five years. The second chart shows the total amounts secured and received over the last five years. Such data is provided by the DIT to give a far more informative picture to Members and assist services and districts in their understanding of forthcoming funding. This information, along with the team's Quarterly Performance Review, reported to Cabinet Committee can be used to highlight the potential income, but also shortfall, of funding to provide KCC's necessary infrastructure.

#### 4.5 Cumulative amounts secured for each district over five years.



## **5. Legal Implications**

- 5.1 Through the Community Infrastructure Levy (amendment) (England) (no.2) Regulations 2019, Local Authorities have a responsibility to provide a summary of all financial and non-financial developer contributions that they have been involved with over the course of a given financial year. The Infrastructure Funding Statement (IFS) is the platform through which to do this and must include a report on Planning Obligations relating to Section 106 of the Town and County Planning Act 1990, Section 278 of the Highways Act 1980 and the Community Infrastructure Levy (CIL).
- 5.2 The document must be published by the 31<sup>st</sup> December each calendar year demonstrating the financial details of the previous financial year.

## **6. Other Corporate Implications**

- 6.1 The DIT has established strong working relationships with each of the wider KCC service areas to ensure that developer contributions are specified to those services' needs. Work completed during the adoption of the updated Developer Contributions Guide has enabled planning responses to include greater flexibility of infrastructure project descriptions. Moving forward, this will assist KCC service areas' ability to spend the contributions they receive, helping to unlock existing barriers, where overly prescriptive project descriptors within s106 agreements have historically made it harder for service areas to spend. To give an example of the new approach, for Adult Social Care, rather than naming specific buildings, project requests now include wording such as "*adaptation of community facilities or technology to promote independence within the Borough*".
- 6.2 Although the level of unspent contributions has continued to rise, significant progress has been made with KCC service areas holding funding to help them improve oversight of the funding available, with the objective of increasing the in-year levels of spending and infrastructure delivery. Working with colleagues from Integrated Children's Services and from Adult Social Services, new Developer Contributions Boards have been created, providing increased levels of transparency of spend and aiding the placement of funding into areas of need.

## **7. Conclusions**

- 7.1 The County Council continues to demonstrate strong levels of success in securing financial contributions to mitigate the impact of development across the county.
- 7.2 Developer contributions, along with Council Tax and external grant funding, form a key component of securing the Council's financial sustainability and funding infrastructure for our growing population and communities.

## 8. Recommendation

### 8.1 Recommendation

The Cabinet Committee is asked to note the contents of the report.

## 9. Background Documents

Appendix 1, 2024/2025 Infrastructure Funding Statement - [KCC Infrastructure Funding Statements](#).

## 10. Contact Details

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