



Strategic Planning & Environment

Overview & Scrutiny

Agenda

WEDNESDAY 20 JANUARY 2021 AT 6.30 PM

Microsoft Teams

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Membership

Councillor Barrett
Councillor Beauchamp
Councillor Birnie (Chairman)
Councillor P Hearn
Councillor Hobson
Councillor McDowell
Councillor Ransley

Councillor Riddick
Councillor Rogers
Councillor Silwal (Vice-Chairman)
Councillor Stevens
Councillor Taylor
Councillor Timmis

For further information, please contact Corporate and Democratic Support on 01442 228209

AGENDA

1. **MINUTES** (Pages 3 - 8)
To agree the minutes of the previous meeting.
2. **APOLOGIES FOR ABSENCE**
To receive any apologies for absence.
3. **DECLARATIONS OF INTEREST**
To receive any declarations of interest.
4. **PUBLIC PARTICIPATION**
5. **CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL-IN**
6. **COMMUNITY INFRASTRUCTURE LEVY (CIL) AND SECTION 106 UPDATE** (Pages 9 - 20)

7. WORK PROGRAMME (Pages 21 - 22)

STRATEGIC PLANNING & ENVIRONMENT OSC

MINUTES

1 DECEMBER 2020

Present

Councillor Birnie (Chair)	Councillor Ransley
Councillor Barrett	Councillor Riddick
Councillor Beauchamp	Councillor Rogers
Councillor Hearn	Councillor Silwal (Vice Chair)
Councillor Hobson	Councillor Stevens
Councillor Johnson	Councillor Taylor
Councillor McDowell	Councillor Timmis

Councillors Anderson and G Sutton were also in attendance

Officers

James Deane	Corporate Director – Finance & Operations
James Doe	Assistant Director – Planning, Development and Regeneration
Chris Taylor	Group Manager – Strategic Planning
Sara Whelan	Group Manager – Development Management & Planning
Craig Thorpe	Group Manager – Environmental Services
Ian Charie	Programme Director – Hemel Garden Communities
Nathalie Bateman	Strategic Planning & Regeneration Team Leader
Katie Mogan	Corporate and Democratic Support Lead Officer

The meeting started at 6.30pm

Following a Joint meeting of the OSCs where a presentation on the budget was given, the Strategic Planning & Environment OSC meeting began at 7.30pm.

1 MINUTES

The minutes from the previous meeting were agreed by the members present and will be signed by the Chairman at the next available opportunity.

There were some incomplete action points from the last meeting.

C Thorpe said officers were aware of the request from the committee to advise ward members if new trees were to be planted in their wards and an email would be distributed by the end of the week.

Councillor Timmis said she had not received an email about the powers of the Animal Welfare and Public Health Officer. J Deane said he would follow this up.

2 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Barrett and Councillor Ransley.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 PUBLIC PARTICIPATION

There was no public participation.

5 CONSIDERATION OF ANY MATTER SUBJECT TO CALL-IN

None

6 BUDGET PREPARATIONS 2021/22

J Doe gave a presentation to members on the budget changes in his area mainly relating to Planning Performance Agreements.

Councillor Birnie referred to the estimate of £400k over the Medium Term Financial Strategy period (MTFS) and asked what the length of this period is and what the charge for the service is.

J Doe replied that the MTFS period was four years. The charges for the service are currently being reviewed and they need to be costed to adequately reflect the likely time taken by staff that need to be employed. It would be difficult to give an average charge as it would depend on the size and complexity of the issues involved from which staff will negotiate a final figure with developers.

Councillor Birnie highlighted that the presentation seemed to show this would only give an income of £70k a year and said this wasn't a huge amount.

J Doe explained that the staffing has been costed at £110k a year on a three year projection and this will be kept under review. The estimate of £400k is a cautious one and the team will need to look at all the sites coming forward. The £400k represents 60% of the total sites coming forward. The staffing figure can be mitigated by the use of fixed term contracts so if the income does decrease, staffing can be reduced accordingly. The main pressure with new sites is in year 1 and 2 and predicting an income of £250k over that period and in years 3 and 4, the estimated excess in planning fee income will be £160k. These are cautious estimates of large sites coming forward. As a benchmark, the fee for LA3 in late 2018 for 1100 homes was £120k.

Councillor Birnie said the council already charge planning fees and this is an add on service. He said he did not think the figures would stack up in terms of resources required to fund the service.

Councillor Timmis said she felt this looks like the planning department are getting friendly with developers and there will be no need or point to any consultation with the public and parish councils which would just serve as a tick box exercise. She referred to the letter sent to the Secretary of State from the Leader about disagreeing with the housing figure targets.

J Doe said this engagement with developers was an increasing practice across councils and it is about officers working with developers to make sure they are following the council's policies. The benefit of this is that it provides an opportunity through a structured timetable that developers will engage with the community in the early stages. The Leader of the Council has sent a letter today and the housing targets are being challenged. In Dacorum, the outcome will need to be factored into the next stage of the Local Plan.

S Whelan answered Councillor Birnie's previous question about the charges for this service. She said this would be done on a sliding scale and for example, an application between 10-50 homes the average charge would be £20k, 50-99 units the average charge would be £50k and this would increase as the number of units increase. The Planning Performance

Agreements service is set out in legislation and should be cost recovery charges only so there will not be any large income surplus. There is added value in having engaged in conversations with developers and being able to consult early.

Councillor Birnie pointed out that he did not feel the council were in a position to be financing new services. Until the Local Plan was agreed, he asked how the team can be sure that there will be the volume of applications predicted.

J Doe said they can be certain of volumes from intelligence they receive from developers. The government encourages local authorities to engage with developers early. When the Local Plan is inspected by the inspectors, the council has to demonstrate that the sites that have been identified are realistic and capable of being taken forward.

Councillor Birnie referred to the comment that these agreements were non-binding and asked if this applied to both sides.

J Doe said that was correct and no discussion can ever bind the council's final decision.

Councillor McDowell echoed the concerns raised by Councillors Birnie and Timmis and had concerns that this could turn into a private consultancy and give developers a 'foot in the door' to the council. He felt the council should keep a greater distance from developers.

Councillor Birnie said members should have confidence in the integrity of planning officers.

Councillor McDowell queried the costings put forward and the possibility of a loss.

J Doe said these costings would need to be reviewed on an annual basis. This isn't a money making exercise and there is room for flexibility. The staff employed will also be able to carry out work on other projects within the planning teams.

Councillor Birnie commented that the planning team had previously had difficulty recruiting staff.

J Doe said in the past, the team has been reliant on agency staff. Since the Covid pandemic, the recruitment issues have eased slightly.

Councillor Beauchamp had concerns that if this was successful, it would draw resources away from Development Management and could hold up smaller developments.

J Doe felt the opposite would happen. If the council didn't go down this route, the major developments would be coming in anyway. This would give the team extra capacity.

Councillor Stevens referred to appendix Ei where the SPAE budget was laid out. He referred to the income line which was projecting an increase in £100k from the year before and asked officers if they were confident this would be achieved.

J Deane said this referred to all the services that sit under SPAE OSC's remit. He said he was not able to see one major contributor to that figure and it was an aggregate of the smaller budget lines over different cost centres. The income is coming in but is being offset for other expenditure.

Councillor Riddick asked if the team were moving away from agency staff and commented that if the council are employing staff directly, the staff will take 2-3 months to be fully trained. He referred to the work coming through on the major developments and queried whether this would now decrease because of the pandemic. More people are working from home and so there is less demand for commercial premises.

J Doe confirmed the team were not reliant on agency staff. They are making use of a service that places professionals from the private sector into the public sector so they can get experience. These are not employed on agency rates. In relation to the projects, enquiries are still coming in throughout the pandemic. There is some evidence of commercial interest, especially at Maylands but this relates to smaller industrial units not office space.

S Whelan added that the applications that are being submitted at the moment are of increased complexity. There are major sites coming through at the Station Gateway and Spencer's Park redevelopment and these are unlikely to fall away. In the 2008 financial crash, a lot of land owners used the time to mobilise on planning applications ready to build when the market was back up.

C Taylor commented that the small units at the Maylands Business Park have a waiting list and are full. The office market is changing and the team will need to watch it over the next 3 - 6 months. The demand is changing towards 'drop down' spaces where people can work remotely without working at home. There are four empty offices at the business centre and the team are looking at the space to see how it could work as a 'drop down' space.

Councillor Birnie referred to the capital budget and the figure for the fleet replacement programme which seems to extend into future years. He asked if this was a rolling replacement or an expansion of the fleet.

C Thorpe said it was a rolling replacement. The vehicles are replaced over time instead of all at once because otherwise they will need to be serviced and have their MOT all at the same time and then eventually, would all need to be disposed of at once.

Councillor Birnie asked if these were mainly refuse vehicles or a mixture.

C Thorpe said they are mainly refuse vehicles, they are high value vehicles costing about £200k each.

Councillor Birnie said the budget starts at £3.1 million in 2021/22 and then drops to £841k in 2025/26 and asked if this was standard.

J Deane said it was normal to see ongoing expenditure every year and there are spikes based on the life span on the vehicles.

Councillor Birnie asked what the lifespans of these vehicles are.

C Thorpe said they are kept for a minimum of 7 years.

Councillor Birnie referred to employees under Regulatory Services and there was a 6% increase for external support.

J Deane said he would find out this information after the meeting.

Action: J Deane

Councillor Birnie congratulated the finance team on their hard work in producing the budget. He also thanked the planning team.

The report was noted.

7 HEMEL GARDEN COMMUNITY SPATIAL VISION

I Charie and N Bateman gave a presentation to the committee.

Councillor Timmis referred to page 40 of the report which states that if the spatial vision isn't approved, it will present a risk to the town's government supported garden town status. She asked officers to clarify what that meant.

I Charie explained that the council were awarded this status by the Ministry of Housing, Communities and Local Government in 2019 which came with a grant split between Dacorum and St Albans. This is a government sponsored initiative and there are 49 across the country.

Councillor Timmis asked about the target number of houses for this project.

I Charie responded that there will be 11,000 homes split equally between Dacorum and St Albans and there will be 10,000 jobs created. Part of project is about how people will move around these new areas from their houses to their jobs without relying on traditional modes of transport.

Councillor Timmis commented that she felt this was a utopian vision and was concerned that there could be a lack of garden space in favour of communal outside space and the pandemic has shown how important individual outside space is. She was also concerned about the impact this would have on wildlife.

N Bateman said this was an ambitious vision and it needs to be in order to work out what we wanted from the plan. From previous member briefings, the key message has been that active and sustainable travel is key. The pictures in the presentation doesn't represent the amount of parking or garden space and the aim was to try and put as many visual aids in as possible to illustrate things that are critical to local centres and neighbourhoods of the future. We know that gardens are key and there are great links to the countryside in Dacorum, the green network is to strengthen what is already present in the town.

Councillor Birnie referred the routes around the town on page 54 of the report. He asked what they consist of as some of it doesn't exist at the moment.

N Bateman said the Chiltern Way link is via public rights of way, they do currently exist and there is signage but appreciate people will need to know it's there. The Nicky Line loop is not currently connected all the way from the station to Harpenden. We need to plan to ensure the right public realm improvements are provided and navigational aids such as clear signage. The Nicky Line loop is to link up other potential routes along the River Ver, along the edges of St Albans and into Leverstock Green.

Councillor Birnie asked if they were all public rights of way.

N Bateman said there are some routes that will need to be strengthened to be delivered. The Hemel Garden Community loop involves some country lanes and will need to be improved.

Councillor Anderson said he would find it easier to support his Cabinet colleagues if one was to explain how the transport routes would bed in with the surrounding populations. He didn't want to make the town centre inaccessible to the surrounding villages who don't have access to public transport.

J Doe said this will not be an insular development and he hopes that as the strategy develops, there will be a detailed sustainable transport plan for the town. He advised the committee to treat this report as an overarching strategy and aspiration and not a finalised blueprint.

I Charie added that this is aspirational. A high level vision only has to capture what we want to see. There will be detailed studies, transport and infrastructure work. The next stage will

be a piece of work led by the Crown Estate to take the spatial vision pillars and turn them into something more fixed and provide commentary and narrative.

Councillor G Sutton said he had been involved from the start as Portfolio Holder and was proud of the work the team has done so far. There is no harm in setting sights high and it is easier to bring something forward rather than start at the lower levels and wish something had been included. The integrated transport links is important and we see it as providing links to the Hemel Garden Community and strengthening across the whole town. He noted the comments about green issues and commented that there are ways of encouraging wildlife when building houses. He said this plan was in its early stages and would like to thank the officers for the work put in and colleagues in St Albans. He hoped this would produce something good for the future.

Councillor Birnie asked the committee to note the report as a good basis for the project.

8 WORK PROGRAMME

Councillor Birnie reminded members to email him if there was anything they wished to add. He asked for a report to be added on the work programme on market undertaking. C Taylor said she could bring a report to committee in the new year.

The meeting ended at 9.25pm



AGENDA ITEM:

SUMMARY

Report for:	Strategic Planning and Environment Overview and Scrutiny
Date of meeting:	20 January 2021
Part:	1
If Part II, reason:	

Title of report:	Community Infrastructure Levy (CIL) and Section 106 Update
Contact:	<p>Cllr Graham Sutton, Portfolio Holder for Planning and Regeneration</p> <p>James Doe, Assistant Director (Planning, Development & Regeneration)</p> <p>Pennie Rayner, Assistant Team Leader (Infrastructure & Economy)</p> <p>Emma Cooper, Strategic Planning and Regeneration Officer (Infrastructure & Economy)</p> <p>Elisabeth Griffiths, Strategic Planning and Regeneration Officer (Infrastructure and Economy)</p>
Purpose of report:	The report seeks to update members on the collection and governance of CIL and S106 receipts for the period April 2019 – March 2020.
Recommendations	That the report is noted.
Corporate Objectives:	<p><u>Affordable Housing</u></p> <p>Affordable Housing continues to be secured through use of planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended) and is not considered to be infrastructure under the CIL Regulations 2010 (as amended).</p> <p><u>Building Community Capacity</u></p> <p>A proportion of CIL funds received are allocated to neighbourhoods. In particular, local communities should feel</p>

	<p>empowered to carry out improvements within their neighbourhood by the distribution of a proportion of this CIL funding to them under Regulation 59 of the CIL Regulations 2010 (as amended).</p> <p>Spending of CIL revenues are not restricted by geography they can be targeted in areas where there are deficiencies and/or where needs are most acute and in particular on projects with a strategic impact.</p> <p>Similarly, S106 funds are sought to mitigate the impact of specific development on the area and will provide infrastructure that builds community capacity.</p> <p><u>Delivering an Efficient and Modern Council</u></p> <p>The funds secured from CIL and S106 will enable the provision of modern facilities for the enjoyment of those living and working in the Borough.</p> <p><u>Ensuring Economic Growth and Prosperity</u></p> <p><u>CIL and S106 is needed to assist with the funding the vital infrastructure needed to support the New Local Plan.</u></p> <p>It is anticipated, as per Cabinet Decision November 2016 that significant CIL funds will be committed to the development of supporting transport and other infrastructure to enable this area to thrive thereby increasing the prosperity of the area.</p> <p>Despite the majority of commercial developments not being liable to CIL payments in accordance with Dacorum Borough Council's CIL Charging Schedule developed through rigorous viability studies in accordance with CIL Regulations, public realm improvement works in Maylands are secured under S106 from those developments within the commercial areas to the east of Hemel Hempstead.</p> <p><u>A Safe, Clean and Enjoyable Environment</u></p> <p>CIL and S106 receipts may be allocated to the improvement of infrastructure, which supports a safe, clean and enjoyable environment. Significant funds have been allocated from the S106 contributions towards the improvement of public open spaces and in support of the Council's programme of playground improvements.</p>
<p>Implications:</p>	<p><u>Financial</u></p> <p>The Council continues to deliver a cost neutral CIL service.. The costs of the long term delivery of CIL services are funded from the allocation of administrative costs applied under Regulations 61 of the CIL Regulations 2010 (as amended) This allows the Charging Authority to use up to 5% of the total receipts to cover administrative expenses including staff,</p>

	<p>training, software and subscriptions. The ability of the Council to maintain a cost neutral CIL service is dependent on increasing housing delivery and legislation.</p> <p>From April 2020 the Council will be charging fees for the monitoring and collection of S106.</p> <p>Further CIL and Section 106 financial information is provided within the report.</p> <p><u>Value for Money</u></p> <p>The Council is responsible for allocating CIL expenditure and thus has a responsibility to ensure that funding is used both appropriately and effectively in the delivery of infrastructure. Requests for CIL funding will be expected to demonstrate that the infrastructure project offers value for money with such matters being considered through the submission and scoring of projects. Infrastructure projects will be subject to procurement processes.</p> <p>The Infrastructure Delivery Plan takes an overview of infrastructure needs and provides prioritisation of infrastructure projects enabling us to maximise the benefits of CIL funding and other sources of infrastructure funds.</p> <p><u>Staff</u></p> <p>The Council employs three full time officers and contributes a percentage towards other management costs to deal with the daily administration, governance and management of CIL, S106 and related infrastructure. These officers are responsible for the administration of CIL, monitoring of S106 financial obligations, the progression of the Infrastructure Delivery Plan, the evolution of the CIL Charging Schedule, supporting policies and strategies together with the wider infrastructure planning function of the Council.</p> <p>Other Council staff will be involved in individual projects relating to the spending of CIL funds as the need arises. Where possible such matters have been incorporated into existing work practices (for example; Resident Services are expected to work closely with Ward Councillors and community groups over the use of the Neighbourhood Proportion of CIL)</p> <p><u>Land</u></p> <p>The Council has an adopted Payment in Kind policy, which allows for land to be transferred to the Council upon which they can deliver infrastructure necessary to support growth.</p>
<p>Risk Implications</p>	<p>Income through CIL is limited and therefore cannot fund in its entirety the delivery of all infrastructure requirements. However, it has the potential to be used to match fund and/or</p>

	<p>to leverage additional funding for strategic projects. Cabinet 29th November 2016 adopted the decision to allocate funds to the following priorities:</p> <ul style="list-style-type: none"> • Infrastructure for East Hemel Hempstead – 50% • Transport Infrastructure – 40% • Other projects – 7% • Contingency – 3% <p>This mitigates the risk of the limited funds being used up for projects that will not have a strategic impact in key priorities areas.</p> <p>Dacorum Borough Council is currently in the process of preparing a new Local Plan for the area. The emerging Local Plan process including the Infrastructure Development Plan (IDP) will identify strategic sites, infrastructure requirements and infrastructure priorities. The emerging Local Plan will be key to identifying and prioritising the infrastructure requirements for Dacorum, particularly given the unprecedented high levels of growth that are likely. Therefore, it is crucial that the allocation of CIL funding aligns with the infrastructure requirements of the emerging Local Plan. DBC will also look at the need to review the CIL charging schedule in line with the emerging Local Plan.</p> <p>Governance processes are in place in relation to CIL expenditure and the Council will, where possible, oversee the delivery of infrastructure projects to ensure that they are delivered on budget and in accordance with the timescales agreed by the Infrastructure Advisory Group. The Council may withhold CIL funds in the case of slippage in the delivery of infrastructure projects or require schemes to be funded in advance of CIL payments.</p> <p>Similarly, Dacorum Borough Council continues to seek S106 funding where appropriate and lawful for infrastructure.</p>
Community Impact Assessment	<p>The process for the submission and allocation of CIL funds should be open, fair and equitable for all applicants. The application process has been designed to be inclusive and both the application form and guidance notes will be available via the website.</p>
Health And Safety Implications	<p>None arising from this report.</p>
Consultees:	<p>The governance arrangements for CIL have been discussed in detail with members of the Infrastructure Advisory Group and other key Council staff at both Hertfordshire County Council and Dacorum Borough Council including:</p> <ul style="list-style-type: none"> • Mark Brookes, Solicitor to the Council • Mark Gaynor, Director for Planning and Housing • James Doe, Assistant Director for Planning,

	<p>Development and Regeneration</p> <ul style="list-style-type: none"> • Chris Taylor – Group Manager, Strategic Planning and Regeneration • Sarah McLaughlin – Principal Infrastructure Officer, Development Services, Herts County Council <p>The Infrastructure Advisory Group includes the Portfolio Holder for Planning and Regeneration and representatives of the Hertfordshire Local Enterprise Partnership (LEP).</p>
<p>Background papers:</p>	<ul style="list-style-type: none"> • Cabinet Report titled “Community Infrastructure Levy Governance Update” – 27th June 2017 • Cabinet Report titled “Governance Arrangements of the Community Infrastructure Levy (CIL) – 29th November 2016 • Cabinet Report titled “Community Infrastructure Levy (CIL) – Adoption of Charging Schedule and associated documents” – 10th February 2015 • Cabinet Report titled “Governance Arrangements for the Community Infrastructure Levy (CIL)” – 25th November 2014 • CIL charging schedule and policies, 2015 • Cabinet Report titled “Annual Infrastructure Funding Statement” – 20th October 2020 • Draft Dacorum Infrastructure Delivery Plan – November 2020 <p>These documents may be viewed at www.dacorum.gov.uk</p>
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p>CIL - Community Infrastructure Levy DBC – Dacorum Borough Council HCC – Hertfordshire County Council IAG – Infrastructure Advisory Group IBP – Infrastructure Business Plan IDP – Infrastructure Delivery Plan POS – Planning Officer Society S106 – Section 106 Agreement SPEOSC – Strategic Planning and Environment Overview and Scrutiny Committee.</p>

Background

1.0 Introduction

- 1.1 This report seeks to update members on the collection of financial contributions from developers towards infrastructure and how such contributions are being managed.
- 1.2 The Community Infrastructure Levy (CIL) is the primary mechanism for collecting financial contributions from new developments to help fund the provision of infrastructure required to support housing and commercial growth in the Borough.

- 1.3 The Council started charging CIL on all new developments receiving planning permission from the 1st July 2015. The extent of applicable charges by use and geography is set out within the Council's adopted Charging Schedule (www.dacorum.gov.uk/cil).
- 1.4 The charge is calculated in accordance with Regulation 40 of the CIL Regulations 2010 (as amended). Relief from the charge is available for affordable housing units, self-build homes, domestic annexes, house extensions and those developments carried out by charitable organisations.
- 1.5 In addition to CIL, the Council continues to secure affordable housing, site specific infrastructure items and undertakings which are not financial in nature (for example restrictions on use or management plans) and on occasion, some financial contributions (where not listed or listed as an exception in the Regulation 123 list (see below) through the use of legal agreements under Section 106 (S106) of the Town and Country Planning Act 1990 (as amended).

2.0 CIL Collection

- 2.1 A summary of CIL income and expenditure from the adoption of CIL by DBC to the end of March 2020 is set out in Table 2 below. Members should note that these figures differ from those held for accounting purposes, as they do not include sums for which a Demand Notice has been raised and for which there is currently an outstanding debt or instalment. This shows that from the total CIL monies received, the Borough Council effectively holds £5,395,928.78 towards the provision of new infrastructure once its administration costs and neighbourhood CIL – paid to town and parish councils and neighbourhood plan areas (Regulation 59 payments) have been made.

Table 2 – Summary of CIL Income and Expenditure

	<i>Financial Year</i>					
	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>Total</i>
	<i>Income</i>					
CIL Receipts	£65,119.38	£498,673.39	£1,032,542.17	£2,112,508.43	£2,980,772.26	£6,689,615.63
	<i>Expenditure</i>					
Administration (5%)	£3,255.97	£24,933.67	£51,627.11	£105,625.42	£147,238.61	£332,680.78
Neighbourhood CIL (15%)	£9,767.91	£72,087.78	£149,966.74	£292,418.56	£436,765.07	£961,006.78
<i>Balance</i>	<i>£52,095.50</i>	<i>£401,651.94</i>	<i>£830,948.32</i>	<i>£1,714,464.45</i>	<i>£2,396,768.58</i>	<i>£5,395,928.78</i>

2.2 The CIL regulations allow for a number of situations where relief can be applied for. In 2019/20 a total of £2,716,514.61 of relief was granted. This is broken down as follows;

- Annexe Relief £72,974.49
- Extensions Relief £544,794.49
- Self-build Relief £2,169,045.49
- Social Housing Relief £3,941,072.15

2.3 In addition, surcharges can be added where there are failures to follow due process and £46,307.30 of surcharges were added to liabilities in 2019/20.

2.4 These receipts, whilst providing a useful source of infrastructure funding, still falls significantly short of that required to fund the infrastructure requirement (as set out in Dacorum's Infrastructure Funding Gap assessment). CIL was never intended to fully plug the infrastructure funding gap (calculated at £60.8m for the CIL examination in 2014, so this figure will rise significantly as future growth requirements set out in the Local Plan review become clear) but a contribution of 10%-20% towards the shortfall in infrastructure funding from CIL receipts is anticipated.

3.0 CIL Expenditure

3.1 Core CIL Funds

The Council has not currently spent any of its core CIL funds (that is, funds remaining after allocations are made to Town and Parish Councils etc and Ward Members in unparished areas, and administration) directly on the provision of infrastructure and there is currently no intention to recommend to Members to do so before the new Infrastructure Delivery Plan has been approved alongside the new Local Plan. The Infrastructure Delivery Plan will identify infrastructure priorities and inform where developer contributions should be directed.

Administration

3.2 The Council sets aside 5% of its CIL income to cover the administrative costs associated with the charging of CIL as is permissible under the CIL Regulations 2010 (as amended)

3.3 The main costs associated with CIL are those covering staffing, and related service expenses (such as software). This is essential to ensure the effective management of the funds.

Neighbourhood Proportion

3.4 In accordance with Regulation 59 of the CIL Regulations 2010 (as amended) the Borough Council is required to pass on 15% (25% in areas that have a valid Neighbourhood Plan – in Dacorum the only area is Grovehill in Hemel Hempstead) of its CIL funds to the Town and Parish Councils (and Neighbourhood area in unparished areas) for use by the local community. The sums that have already been transferred are identified in Table 2 above and are broken down in more detail in Appendix 2. The Council did not report

any CIL expenditure by Town and Parish Councils for 2016/17 and is not aware of expenditure by Town and Parish Councils covering the last financial year. Such information should be reported by the end of the calendar year (see Regulation 62 statement at www.dacorum.gov.uk/cil) either directly by the Town/Parish Council or via the Charging Authorities website.

4.0 Changes to the CIL Submission Programme

- 4.1 The emerging Local Plan and associated Infrastructure Delivery Plan will be key to identifying and prioritising the infrastructure requirements for Dacorum, particularly given the unprecedented high levels of growth that are likely. In addition, the Southwest Herts authorities (Dacorum, Watford, Three Rivers, St Albans and Hertsmere) are working towards a Joint Strategic Plan for the area.
- 4.2 Both the new Dacorum Local Plan and the SW Herts Joint Strategic Plan will identify key infrastructure requirements for the area. Therefore, it is prudent to defer allocation of CIL funds until these key documents have been drafted and up to date infrastructure requirements identified.

5.0 Section 106

- 5.1 The total payments received by the Council from Section 106 can vary considerably per year depending on the number, size and nature of developments coming forward. S106 funding received over the past three financial years is shown in Table 3 below:

Table 3 – Summary of Annual Section 106 Income

Financial Year	Sums received by DBC
2019/20	£351,732
2018/19	£2,308,347
2017/18	£857,126

- 5.2 Overall, there has been a decline in the number of S106 agreements being entered into following the introduction of CIL on 1st July 2015. The CIL regime has not completely replaced S106 and a hybrid approach is likely to continue. The 2019 amendments to the regulations removed the previous restriction on pooling more than five planning obligations towards a single piece of infrastructure.
- 5.3 The S106 balance at 7th January 2021 is £1,323,735. This total is sub-divided by theme in Table 4 below:

Table 4 – Section 106 Balances at 7th January 2021

Purposes	Amount
Affordable Housing	£152,963.22
Cycle Contributions and Regeneration Works	£378,018.39
Open Space, Environment and Allotments	£536,065.17
Playing Pitches, Playgrounds and Community Development	£249,637.81

Other	£7,050.40
TOTAL	£1,323,734.99

- 5.4 The allocations and capital expenditure in financial year 2019/20 are shown in Table 5:

Table 5 – Section 106 Allocations and Expenditure

	Allocations	Expenditure
2019/20	£1,826,428	£1,396,882

- 5.5 The majority of capital expenditure within the year was on the provision of Affordable Housing (just under £1.2 million). Table 6 shows a breakdown of the projects funded or part-funded by S106 contributions in financial year 2019/20.

Table 6 – Section 106 Expenditure by Project

Infrastructure	S106 Expenditure
Maylands Public Urban Realm - Phase 1 Heart of Maylands	£25,844.15
Nash Mills Village Hall refurbishment	£49,010.00
Northend and Westerdale affordable housing	£1,088,646.67
Creation of temporary accommodation units	£105,000.00
Other affordable housing funding	£4,385.72
Play equipment for toddlers in Gadebridge Park	£9,357.67
Dog waste bin improvements at public open spaces	£2,863.63
Nickey Line improvements	£36,656.25
Perennial wildflower sustainable planting	£23,826.52
Provision of trees	£1,474.92
Allotment improvements	£12,374.01
Sport facilities and playing pitches improvements	£26,126.93
Miscellaneous e.g. transfers to HCC, small balance write-offs	£11,316.00
TOTAL	£1,396,882.47

- 5.6 A summary of the current S106 balances can be found in Appendix 3.

6.0 S106 Constraints

- 6.1 Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended) are a mechanism which make a development proposal acceptable in planning terms, which would not otherwise be acceptable. Planning obligations may only constitute a reason for granting planning permission if they meet the following tests:

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

- 6.2 S106 agreements should seek to mitigate site specific impacts on infrastructure and often have restrictive covenants within the agreement.
- 6.3 The previous restriction on pooling more than 5 planning obligations towards a single piece of infrastructure was removed by the 2019 amendments to the regulations. This means that, subject to meeting the 3 tests listed above as set out in CIL regulation 122, charging authorities can use funds from both CIL and Section 106 planning obligations to pay for the same piece of infrastructure regardless of how many planning obligations have already contributed towards an item of infrastructure.

7.0 Changes to the Infrastructure Delivery Plan (IDP)

- 7.1 The Council has an IDP, which provides a technical assessment of the infrastructure required to support the existing and proposed levels of housing and employment growth within the Borough up to 2031. This assessment is based on growth identified within the Core Strategy and incorporates the strategies and key infrastructure priorities of external infrastructure providers.
- 7.2 A number of projects within the IDP are of a long term nature. Because of their reliance on external funding sources, some may be delayed and may be unlikely to materialise within the lifetime of the Core Strategy.
- 7.3 A new draft IDP has been prepared to support the new Local Plan and is currently being consulted on. [The Draft IDP](#) sets out the infrastructure needs to support growth identified in the new Local Plan. This IDP will also review the funding requirements for delivering the infrastructure including the use of developer contributions.

8.0 CIL Policies

- 8.1 The Council has a number of supporting policies sitting behind its CIL Charging Schedule and covering such matters as Discretionary Charitable Relief, Exceptional Circumstances, Instalments and Payments in Kind (Land). These policies were introduced at the discretion of the Council with a view to facilitating the viability of schemes coming forward through the planning process and to assist in the timely delivery of infrastructure.
- 8.2 The Governance structure for CIL sets out that these policies will be formally reviewed by the Infrastructure Advisory Group, but the following should also be noted.

Exceptional Circumstances

- 8.3 The Council has not had any requests to use its Exceptional Circumstances policy and to date has not experienced any significant claims for a reduction in affordable housing below the policy requirements set out in CS19 – Affordable Housing. This would indicate that despite a significant rise in

indexation the charges within the Charging Schedule are having a negligible impact overall on scheme viability.

Instalments

- 8.4 The Council has an instalment policy in place. This instalment policy supports the receipt of CIL payments.

Payments in Kind (Land)

- 8.5 The Council has received a parcel of land adjacent to Okeford Close in Tring in lieu of CIL payment; Members may recall this planning application involved the granting of permission for a small residential development with the transfer of open land to the Council to complement existing open space in its ownership close to the site

Regulation 123

- 8.6 Changes to the CIL regulations in September 2019 removed the need for a Regulation 123 list, this has been replaced with the requirement to publish an Infrastructure Funding Statement which outlines receipts and spend of CIL and S106 and what the Council intends to spend developer contributions on in the coming year.

9.0 Next Steps

- 9.1 As outlined above, the receipts, prioritisation and allocation of developer contribution both CIL and S106 will be reviewed in line with the emerging new Local Plan to ensure that it supports the delivery of the required infrastructure.
- 9.2 A review of the CIL Charging schedule may be undertaken alongside the progression of the new Local Plan utilising the same evidence and studies where possible.
- 9.3 Officers will continue to monitor the success of CIL and the associated policies with the IAG and report on CIL through the Annual Monitoring Report.
- 9.4 With the progression of the emerging Local Plan and ahead of the anticipated growth for Dacorum we are working with Group Managers to identify current needs and where possible allocate S106 funds towards projects.

Agenda Item 7

Strategic Planning and Environment Overview & Scrutiny Committee: Work Programme 2020-2021

Scrutiny making a positive difference: Member led and independent, Overview & Scrutiny Committee promote service improvements, influence policy development & hold Executive to account for the benefit of the Community of Dacorum.

Clerk Sharon Burr

Date:	Report Deadline	Items:	Contact details:	Background information
Jan 20 2021	Jan 12 2021			
		CIL & S106 Update	Group Manager for Strategic Planning & Regeneration chris.taylor@dacorum.gov.uk	<i>To outline current arrangements for the collection of, and expenditure arising from the receipt of financial contributions from developers through s106 obligations and Community Infrastructure Levy in Dacorum in 2020</i>
Feb 02 2021	Jan 20 2021	Joint Budget	Corporate Director, Finance & Operations James.deane@dacorum.gov.uk	<i>To review and scrutinise the budget for 2021-22</i>
		Climate Emergency Update	Corporate Director for Housing and Regeneration mark.gaynor@dacorum.gov.uk	
		Tree Policy and Implementation	Group Manager for Environmental Services craig.thorpe@dacorum.gov.uk	<i>To review the updated Tree Policy and implementation in relation to climate change</i>
Mar 23 2021	Mar 15 2021	Quarter 3 2020/21 Reports: Budget Monitoring Planning, Development and Regeneration performance	Assistant Director for Planning, Development & Regeneration james.doe@dacorum.gov.uk	

		Environmental Services performance	Group Manager for Environmental Services craig.thorpe@dacorum.gov.uk	
		Environmental and Community Protection Performance Report	Group Manager for Environmental and Community Protection Emma.walker@dacorum.gov.uk	
		Hemel Garden Communities programme	James Doe/Nathalie Bateman	<i>To provide an update on progress on the proposals for delivering garden communities at Hemel Hempstead</i>
		Environmental Services Annual Review	Group Manager for Environmental Services craig.thorpe@dacorum.gov.uk	<i>To review the annual performance and achievements of Environmental Services</i>

Future items:

- South West Herts Joint Strategic Plan
- Growth & Infrastructure Strategy
- Fire Service Policy
- London Luton Airport Development Consent Order - To outline the proposals for the major expansion of London Luton Airport and inform the Council's response to them
- Waste 'Special' commercial waste – to review current service provision and future options
- Behavioural Change and recycling – update on the impact of education and awareness campaigns
- What happens to Dacorum's waste? – To consider the complexities of waste disposal and impact of global markets, end destinations, material markets and price fluctuations
- National Waste Review consultation – Craig Thorpe (*To review the governments finding from its waste review consultation and potential impact on services*).

June 2021:

- Abandoned Vehicle Policy – Ben Stevens (*To consider the draft Abandoned Vehicle Policy for the effective removal of vehicles*).