

OFFICER DECISION RECORD SHEET

Name of decision maker: Assistant Director of Planning, Development & Regeneration

Service Area: Strategic Planning & Regeneration

Title of Decision: Timetable for CIL submissions 2018

Decision made and reasons:

Decision:

To approve the revised timetable for CIL submissions 2018/19 which will defer the spending of CIL monies for a further year.

Reason:

On 27th June 2017 an update on the Community Infrastructure Levy governance was reported to Cabinet. At this meeting Cabinet (minute CA/68/17) delegated authority to the Assistant Director for Planning, Development and Regeneration to adjust the timetable for CIL submissions on an annual basis in consultation with the Portfolio holder as the need may arise. The report recommended:-

- 1) Officers defer requesting project submissions for the use of CIL funding until April 2018
- 2) Officers request expressions of interest for the use of CIL funds from July 2017
- 3) The amendments to the CIL submission timetable as set out in Table 2 of the report to Cabinet are agreed
- 4) Authority is delegated to the Assistant Director (Planning, Development and Regeneration) to adjust the timetable for CIL submissions on an annual basis in consultation with the Portfolio Holder for Planning and Regeneration as the need may arise.

At that meeting the amended CIL submission timetable and programme for adoption of IBP was stated as follows

July 2017	Invite initial expressions of interest for the use of CIL
September 2017	Consideration of the IBP by the IAG
October 2017	IAG agree IBP for submission to Overview and Scrutiny and Cabinet
November 2017- January 2018	IBP considered by Overview and Scrutiny and Cabinet
November 2017- February 2018	Formal expressions of interest for the use of CIL funds requested.
February 2018	IBP approved by Council
April 2018	Invite CIL project submissions
May 2018	Deadline for the receipt of CIL project submissions (6 weeks)

Since July 2017 the following initial expressions of interest have been received

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HCC education

- One form entry primary schools expansion to deliver primary education places in the south east of Hemel Hempstead. The project is required for delivery by 2019/20. Estimated cost £4.1 m, CIL funding request to be confirmed.
- Provision of a new 8 form entry secondary school to support development coming forward within and surrounding Hemel Hempstead. Location anticipated to be within SADC development site and s106 contributions to be also sought. Estimated cost £40.3 m, CIL funding request to be confirmed.

Health NHS Herts Valleys CCG

- Consolidation of 3 practices into single building and refit – Gossoms End Community Hospital. Delivery by March 2019, estimated costs and CIL funding request £1,500,000.
- Two storey extension and refurbishment of existing premises, Markyate Surgery. Estimated costs and CIL funding request £700,000 delivery by March 2019.
- Improvements to Parkwood Drive Surgery, or delivery of alternative accommodation. Estimated costs and CIL funding request £600,000, delivery by March 2019.

Hospice of St Francis

- Conversion of two shared into four single rooms, replacement of water pipes, improvements to other areas of the building including Spring Centre to create more space for rehabilitation and therapy activities. Estimated cost £787,000, CIL funding request £10,000, delivery by December 2019.

A revised timetable for the preparation of the IBP and CIL submissions has now been developed, the changes are as a result of the following:-

- From adopting CIL, up to end of February 2018, we have received total receipts of £1,510,377. 5% of the receipts fund administration costs whilst 15% (25% if the neighbourhood has a Neighbourhood Plan) is the allocated neighbourhood proportion. This leaves 80% of receipts as Core Funds (£1,216,290) which would be available for bids – a substantially small fund compared to the cost of infrastructure requirements as evident from the expressions of interest received above.
- CIL was never intended to fund all infrastructure but only to support the delivery of infrastructure. One of the key advantages of CIL is that receipts can be accumulated to deliver strategic infrastructure needs and is not restricted to an area unlike S106 contributions. This, combined with the limited funds likely to be received through CIL makes it vital that CIL is spent on high priority, strategic projects that will have a high impact on the community.
- It is therefore crucial that Dacorum Borough Council identifies key development areas, strategic infrastructure requirements, key strategic priorities and funding mechanisms for the delivery of this infrastructure that will enable growth. CIL receipts should support the delivery of these key strategic priorities.
- The emerging Local Plan process including the Infrastructure Development Plan (IDP) will identify strategic sites, infrastructure requirements and

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infrastructure priorities. The latest IDP is available at <http://www.dacorum.gov.uk/docs/default-source/regeneration/dacorum-infrastructure-delivery-plan.pdf?sfvrsn=4>

but will be updated in due course in line with the emerging Local Plan.

- 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. Dacorum consulted on Issues and Options at the end of last year. However it has been difficult to progress to the next stage due to the uncertainty of the new NPPF's content particularly in terms of the locally assessed housing need methodology.
- In addition, the Southwest Herts authorities (Dacorum, Watford, Three Rivers, St Albans and Hertsmere) are working towards a strategic joint plan for the area.
- Both the new Local Plan and the Strategic Joint Plan will identify key infrastructure requirements for the area.
- Therefore, it is crucial that the development of the Infrastructure Business Plan which identifies priority spending for CIL and s106 in the borough for strategic infrastructure projects, should align with the emerging Local Plan process.
- In addition, the IBP should include key information from HCC's South West Herts Growth and Transport plan. Initially, consultation on this had been expected in autumn 2017. HCC has now deferred the consultation until 2018 with adoption expected late 2018.
- DBC will also be considering a CIL Review in parallel with the emerging Local Plan process, which will review the charging rates and development uses that will attract a CIL charge.

In addition:

- We will write to all those who have submitted an expression of interest to date informing them of the revised timetable and the content of this Officer Decision Sheet.
- Spending of any CIL monies will be deferred in accordance with the revised timetable until key strategic priorities are determined. As outlined in the timetable below, we hope to have a pre-IBP paper by January 2019 that will identify key priorities based on work on the Local Plan to date. Whilst a full IBP will not be in place until the new Local Plan is complete it is expected that this paper will provide Members and other interested parties a steer on the priorities for CIL spending.
- Any spending of CIL monies will need to be agreed by the Infrastructure Advisory Group (IAG) which is part of Dacorum's Governance and the Decision Making body for the spending of CIL monies.
- We will arrange an IAG meeting in May/June to set out the framework for identifying key strategic priorities. Based on preliminary work to date, the key strategic priorities for the use of CIL are likely to be based around strategic transport infrastructure that will promote a shift toward more sustainable modes of transport including improvements to public transport.
- We will work with town and parish councils and local ward councillors to raise awareness on the availability of and access the CIL neighbourhood proportion to encourage the use of this money for smaller neighbourhood projects.

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- Based on all of the factors outlined above, the following revised time table is proposed.

Proposal for new timetable

September 2018	Commence work on the IBP. However a timeline for the completion of the IBP will not be possible until a timeline for the emerging Local Plan is confirmed.
November 2018 - February 2019	Expressions of interest for the use of CIL funds requested. An expression of interest will not constitute receipt or an application for funds but an expression of interest only. The expressions of interest will help determine and demonstrate the level of funding gap and given the limited size of CIL contributions help to seek alternative funding sources where required and/or possible and where CIL is not the appropriate source of funding. Where appropriate we will also signpost to alternative sources of funding including the neighbourhood proportions.
January 2019	Prepare pre-IBP paper identifying key strategic priorities for known strategic areas coming forward that will feed in to the emerging IBP which will be prepared in line with the emerging Local Plan.
April 2019	Review potential to submit CIL bids. The outcome of this review will be determined by the identification of priorities by this date and may need to be deferred until the IBP is completed in line with the new Local Plan.

Reports considered:

27th June 2017 Cabinet

Officers/Councillors/Ward Councillors/Stakeholders Consulted:

Assistant Director – Planning, Development & Regeneration
Portfolio Holder - Planning, Development & Regeneration

Monitoring Officer Comments:

No comments to add to the report.

S151 Officer Comments:

The recommendation to defer allocation of CIL funds collected until;

- Post the creation of a pre-IBP, and
- A greater awareness of the Local plan

Would seem a logical and prudent approach.

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The completion of the Infrastructure Business plan and Local Plan in 2019 will provide a strategy for utilising existing and future CIL receipts, to maximise the effectiveness of these funds in enabling large scale infrastructure improvements.

Implications:

Value for Money:

CIL is one of DBC's primary mechanisms for collecting developer contributions to support the delivery of strategic infrastructure for the community. Income through CIL is limited and CIL was never intended to fund all infrastructure but only to support the delivery of infrastructure. One of the key advantages of CIL is that receipts can be accumulated to deliver strategic infrastructure needs and is not restricted to an area.

As the funds received through CIL are likely to be limited it is vital that CIL is spent on high priority, strategic projects that will have a high impact on the community and care needs to be taken to ensure that that spend is well planned to align with vital infrastructure needs.

Hence, in order to deliver value for money, we propose differing the allocation of CIL core funds until these infrastructure projects are identified through the emerging Local Plan process and until sufficient CIL receipts have been collected to be able to support high impact infrastructure projects.

Financial:

From adopting CIL, up to end of February 2018, we have received total receipts of £1,510,377. 5% of the receipts fund administration costs whilst 15% is allocated neighbourhood proportion. This leaves 80% of receipts as Core Funds (£1,216,290) which would be available for bids – a substantially small fund compared to the cost of infrastructure requirements as evident from the expressions of interest received above. Hence we are recommending differing spending of CIL receipts until the key high priority infrastructure projects are identified through the emerging local plan process and until we received a higher value of CIL receipts.

Risk:

CIL is one of DBC's primary mechanisms for collecting developer contributions to support the delivery of strategic infrastructure for the community. If CIL receipts are spent without consideration for the high priority infrastructure requirements emerging through the new Local Plan process there is a high risk that we will be unable to deliver the key strategic infrastructure required to support development.



Officer Signature:

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Date: 16 May 2018