



<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Release of Community Infrastructure Levy Core Funds
<b>Date:</b>	23 July 2024
<b>Report on behalf of:</b>	Councillor Sheron Wilkie, Portfolio Holder for Place
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Appendix 1: Parish and Neighbourhood CIL Amounts Collected Appendix 2: Community Impact Assessment
<b>Background papers:</b>	<ol style="list-style-type: none"> <li>1. Report to Cabinet – Governance Arrangement for the Community Infrastructure Levy (28 November 2016) - <a href="https://democracy.dacorum.gov.uk/documents/g529/Public%20reports%20pack%2029th-Nov-2016%2019.30%20Cabinet.pdf?T=10">https://democracy.dacorum.gov.uk/documents/g529/Public%20reports%20pack%2029th-Nov-2016%2019.30%20Cabinet.pdf?T=10</a></li> <li>2. Infrastructure Delivery Plan (2023) <a href="https://www.dacorum.gov.uk/home/planning-development/planning-strategic-planning/evidence-base/infrastructure-and-delivery">https://www.dacorum.gov.uk/home/planning-development/planning-strategic-planning/evidence-base/infrastructure-and-delivery</a></li> <li>3. Draft Infrastructure Delivery Plan (Regulation 18 consultation) - <a href="https://www.dacorum.gov.uk/home/planning-development/planning-strategic-planning/new-single-local-plan/technical-work-for-the-early-partial-review">https://www.dacorum.gov.uk/home/planning-development/planning-strategic-planning/new-single-local-plan/technical-work-for-the-early-partial-review</a></li> <li>4. Report to Strategic Planning Overview and Scrutiny Committee (dated 1 February 2023) - <a href="https://www.dacorum.gov.uk/agenda-for-strategic-planning-and-environment-overview-and-scrutiny-on-wednesday-1st-february-2023-7-30-pm">Agenda for Strategic Planning &amp; Environment Overview &amp; Scrutiny on Wednesday, 1st February, 2023, 7.30 pm (dacorum.gov.uk)</a></li> <li>5. Cabinet Report (dated 14 February 2023) <a href="https://democracy.dacorum.gov.uk/ieListDocuments.aspx?CId=157&amp;MId=3440">https://democracy.dacorum.gov.uk/ieListDocuments.aspx?CId=157&amp;MId=3440</a></li> </ol>
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	<p>CIA: Community Impact Assessment</p> <p>CIL: Community Infrastructure Levy</p> <p>IAG: Infrastructure Advisory Group</p> <p>IDP: Infrastructure Delivery Plan</p> <p>IFS: Infrastructure Funding Statement</p> <p>SEN: Special Educational Needs</p>

**Report Author / Responsible Officer**

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<b>Corporate Priorities</b>	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need Ensuring efficient, effective and modern service delivery Climate and ecological emergency
<b>Wards affected</b>	All
<b>Purpose of the report:</b>	To consider the recommendations made by the Infrastructure Advisory Group (IAG) to allocate core Community Infrastructure Levy (CIL) funding towards the relocation of Breakspeare Special Educational Needs (SEN) School.
<b>Recommendation (s) to the decision maker (s):</b>	That Cabinet: Considers the recommendations of the Infrastructure Advisory Group (IAG) and agrees to allocate £1,364,424 of core Community Infrastructure Levy (CIL) funding towards the relocation of Breakspeare Special Education Needs School.
<b>Period for post policy/project review:</b>	Annual

## 1 Introduction/Background:

- 1.1. The Community Infrastructure Levy (CIL) is a 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. It is a tariff style system applied to the area of the development as a cost per square metre and may vary by both use and location.
- 1.2. The Borough Council is the Charging Authority for CIL. It is responsible for setting the proposed CIL rate, collecting the charges and spending the CIL income. Dacorum Borough Council adopted its CIL Charging Schedule on the 25th February 2015 and started charging its CIL on all new developments receiving planning permission from the 1st July 2015.
- 1.3. The Borough Council is required to allocate a portion of its CIL funding to the local community – neighbourhood CIL (15%) and may also allocate funds for the purposes of administration (5%). The bulk of CIL funding (80%) sits in a further pot from where it may be allocated towards infrastructure projects and priorities. The following table sets out the total funds collected and spent up until the end of the 2023/24 financial year.

Percentage	Allocation	Total CIL collection (up to 31 March 2024)	CIL spent/allocated (up to 31 March 2024)	CIL Balances (as of 31 March 2024)
5%	Administration of CIL	£1,234,763.37	£1,234,763.37	£0
15% (or 25% where there is a neighbourhood plan in place)	Neighbourhood CIL -allocated to town/parish and other neighbourhood areas	£3,608,849.08	£2,217,323.12 *	<b>£1,391,525.96</b>
80%	Core fund - held and spent directly by Dacorum Borough Council on new infrastructure items.	£19,887,654.88	£610,000	<b>£19,277,654.88</b>

*\* Note this amount has not all been spent on projects to date, but has been transferred to the town/parish councils and projects in other neighbourhood areas.*

- 1.4. The Council currently transfers CIL twice a year to the Town and Parish Councils and relevant areas under the CIL regulations. Town and Parish Councils are not constrained in the use of such sums to the provision of new infrastructure and may use funding broadly to support the needs arising from growth (the payments are not suited to long term revenue use as they are one-off funding payments).
- 1.5. In the case of unparished areas, the Council retains this portion of CIL and works with Ward Councillors to support the use of these funds. A breakdown of the total amount of CIL funding currently received by Parish Councils and other wards is set out in Appendix 1.
- 1.6. The remaining, or core, CIL funds should be allocated by the Council towards the infrastructure requirements arising from the growth planned in the Council's Local Plan. At a strategic level, these needs are identified in the Infrastructure Delivery Plan (IDP), which

sets out the infrastructure plans and funding arrangements of infrastructure providers. This plan is a “live” document and is subject to regular discussion and review. It is published on the Dacorum Borough Council website.

<http://www.dacorum.gov.uk/home/planning-development/planning-strategicplanning/evidence-base/infrastructure-and-delivery>).

## **2 Release of CIL core funds**

- 2.1 The Council, up to February 2023, had deferred releasing Core CIL until the new Local Plan is adopted, accompanied by a new IDP that identifies the infrastructure needed to support the growth coming forward. This would provide the Council with a complete picture of new infrastructure requirements alongside the new Local Plan.
- 2.2 In July 2021, Cabinet voted to defer the publication of the Regulation 19 version of the new Local Plan citing, amongst other things, the need to commission further evidence to support the Local Plan, to seek clarification from Government on the potential extent of planning reforms first announced in August 2020 and to continue with the detailed recreational, air and water quality surveys of the Chilterns Beechwoods Special Area of Conservation. Government has also recently published a series of proposed changes to national planning policy, which are unlikely to expedite plan production in Dacorum. As a result of the above, the Council does not expect its new Local Plan to be adopted until 2026.
- 2.3 As a consequence of the delay, there was a risk that the delivery of new infrastructure required to mitigate the impact of development already delivered in the Borough could be delayed. The Council therefore considered it appropriate to release a portion of its Core CIL funds to allow infrastructure to be delivered in the short term.
- 2.4 As CIL is a very limited pot of funding, with a remit to deliver strategic infrastructure that is not linked to a particular development, careful consideration needs to be given to allocating CIL monies; particularly to strategic infrastructure projects that do not have alternative sources of funding and/or to projects that have secured match funding or borrowing to deliver.
- 2.5 Cabinet on 14 February 2023 and Full Council on 22 February 2023 agreed to release 20% of the Core CIL that had been collected between 1 July 2015 – 31 March 2023 (£3,027,519) for allocation to infrastructure projects.
- 2.6 The Infrastructure Advisory Group (IAG) on 3 February 2023 considered bids for core CIL funds including the bid of £2,666,194 for funding towards the relocation and expansion of Breakspeare Special Education Needs School. Cabinet on 14 February 2023 and then Full Council on 22 February 2023 agreed to contribute £610,000 of Core CIL funding towards the planned playground upgrades to elevate the new equipment beyond what would usually be delivered. Whilst the IAG supported the principle of contributing towards the cost of the delivery of the school at the time, a decision on the amount was deferred until further information was obtained.
- 2.7 On 10 May 2024 the IAG met to consider a revised funding figure for the relocation of Breakspeare SEN School. The IAG agreed to put forward the reduced figure of £1,364,424.00 for Cabinet approval.

## **3 Breakspeare Special Education Needs School**

- 3.1 Hertfordshire County Council (HCC) will be relocating the Breakspeare School and providing a larger school on a new site, increasing its capacity from 93 children to 210. This will create the additional capacity required to meet the demands from recent developments

and will provide some additional capacity for future development. It will also improve the curriculum offered and the range of care that can be provided.

- 3.2 The new school will be sited in Croxley Green within the Three Rivers District Council area, however, admissions are decided by a provision panel and distance between a child's home and the school is not part of the consideration. Rather the policy is focused on judging what type of school will be the best setting for the child.
- 3.3 All special education needs schools in the area are at capacity. The enlargement of Breakspeare School will both provide additional spaces that will be open to families in Dacorum and give the opportunity for students who are currently enrolled in Woodside School in Hemel Hempstead to relocate to a closer school, thus opening up local spaces.
- 3.4 The overall cost of the project is estimated to be c.£35 million, HCC has submitted bids for CIL funding to each of the four SW Herts CIL authorities, as shown in the table below. To be fair and consistent with the S106 contribution in St Albans, HCC used the same methodology and multipliers for houses and flats that it uses for S106 calculations and applied it to the level of growth that had occurred in each authority between the date of CIL adoption and September 2021.

<b>SW Herts District</b>	<b>Houses / Bungalows</b>	<b>Flats / Apartments</b>	<b>CIL Funding Bid</b>	<b>CIL Bid Status</b>
Dacorum	1,778	2,215	<b>£2,666,194</b>	<b>Considered bid and agreed reduced amount £1,364,424</b>
Hertsmere	767	2,396	<b>£1,475,702</b>	<b>CILIP approved recommendation of full funding on 6/2/23</b>
Three Rivers	540	1,079	<b>£901,574</b>	<b>Full approval received from Executive</b>
Watford	272	1,937	<b>£769,058</b>	<b>Agreed at Cabinet Meeting on 5 February 2024</b>
<b>Grand Total</b>	<b>3,357</b>	<b>7,627</b>	<b>£5,812,528</b>	

- 3.5 At the IAG in February 2023 there was overall support for the project, but some concern that the level of funding requested was not proportionate to the positive impact the school would have on Dacorum residents. The IAG recommendation was to defer to the next IAG meeting.
- 3.6 The bid was reconsidered by the IAG in August 2023. Additional information was supplied by HCC further detailing the need, the admissions policy and the methodology for calculating the contribution requested.
- 3.7 Taking into account the overall support for the project with concerns raised by the IAG regarding the proportion of CIL funding requested, officers undertook a review of the methodology and calculation used by HCC in their proposal. Using the information supplied by HCC, the calculation was revised to include only housing completions that attracted a CIL liability. This resulted in a decreased funding figure of £1,364,424.
- 3.8 On 10 May 2024 the revised figure was presented to the IAG who made the recommendation to allocate £1,364,424 to the relocation and permanent enlargement of Breakspeare School.

#### **4. Consultation**

The following sections have been consulted on the work undertaken to date:

- Strategic Planning and Environment Overview and Scrutiny Committee – Cabinet to be verbally updated on outcome.

#### **5. Financial and value for money implications**

- 5.1 All the financial implications of the report have been set out above. There are no direct financial implications for the Council as Core CIL sits outside of the Council revenue or capital budgets and represents monies collected by developers.
- 5.2 Indirect financial implications for the Council will be the additional resources needed to oversee the management of funding bids, managing the IAG and managing projects once they are approved. This is covered by existing resources funded by CIL administrative funding.

#### **6. Legal Implications**

Legal requirements governing CIL are set out in the Community Infrastructure Levy Regulations 2010 (as amended). The Council adheres to these regulations in all matters relating to CIL. It is important that the release of CIL Core Funding is in line with legislative requirements.

#### **7. Risk implications**

- 7.1 Given the scale of growth taking place in Dacorum, and the growth that is expected to take place through the new Local Plan, it is important that the Council is investing in infrastructure delivery to support the Borough.
- 7.2 There is a limited amount of CIL funding available. Spending CIL on a project reduces availability of funding for other projects.

#### **8. Equalities, Community Impact and Human Rights:**

- 8.1 Community Impact Assessment – The enlargement of Breakspeare School will have a direct positive impact on young people with physical, intellectual and mental disabilities and a neutral impact on all other protected characteristics, see Appendix 2.
- 8.2 Human Rights – There are no Human Rights implications arising from this report.

#### **9. Sustainability implications (including climate change, health and wellbeing, community safety)**

A number of the projects already funded through neighbourhood CIL and S106 contributions support sustainability improvements including climate change, health and wellbeing and community safety improvements as well as providing affordable housing for local communities.

#### **10. Council infrastructure (including Health and Safety, HR/OD, assets and other resources)**

None arising from this report

#### **11. Statutory Comments**

**Monitoring Officer:**

The release of CIL funds is a decision for Cabinet to make following consideration by IAG. This process has been followed and therefore the award may proceed if Cabinet agrees.

**S151:**

The CIL is collected to ensure that the ongoing housing and commercial developments that occur in Dacorum also provide investment into key local community infrastructure. The delivery and support of educational facilities is a key criterion in the Dacorum CIL strategy and hence this proposed investment meets the authority's desire to support the expansion of special educational provision to support the residents of Dacorum.

The level of investment proposed is based on the demand for these services and analysis of the current local Hertfordshire supply model for these services.

**12. Conclusions**

The relocation and permanent enlargement of Breakspeare SEN School will ensure that there are adequate spaces now and in the future for pupils in South West Hertfordshire who require additional support. Where there are no catchment areas for SEN Schools, it is thought that the offer of additional spaces at Breakspeare School could free up places at more local SEN Schools.