

Report of the Strategic Director, Place to the meeting of the Executive to be held on 9th April 2024

BA

Subject:

Bradford Community Infrastructure Levy (CIL) – Allocation of funds to support the expansion of health provision in Burley in Wharfedale.

Summary statement:

The Council resolved at the meeting of Executive on 13 July 2023 to be minded to allocate £400,000 from the Bradford Community Infrastructure Levy (CIL), towards the costs of the construction of an extension of Grange Road GP Surgery Burley in Wharfedale, in order, to increase capacity of the practice. This was subject to the need for a further report to Executive to formally allocate the funds which were conditional on the receipt of CIL from the Sun Lane housing development and a funding agreement between the Council and the surgery.

This report confirms receipt of the first phase of funds from the development and a draft funding agreement has been prepared with the surgery and their lenders. The report recommends that the Council formally allocate the £400,000 to the Surgery in line with the funding agreement to support the delivery of the extension.

EQUALITY & DIVERSITY:

The proposed use of CIL will support the provision of a number of infrastructure and services including education, open space and public realm which will have benefits for local communities and users. The recommendations themselves do not have any direct negative impacts on protected characteristic groups. Individual projects which these financial contributions support will be subject to separate consideration of equalities as part of scheme development and implementation in line with Equalities duty.

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Portfolio:

Regeneration, Planning and Transport

Overview & Scrutiny Area:

Regeneration and Environment

1. SUMMARY

- 1.1 The Council resolved at the meeting of Executive on 13 July 2023 to be minded to allocate £400,000 from the Bradford Community Infrastructure Levy (CIL), towards the costs of the construction of an extension of Grange Road GP Surgery Burley in Wharfedale, in order, to increase capacity of the practice. This was subject to the need for a further report to Executive to formally allocate the funds which were conditional on the receipt of CIL from the Sun Lane housing development and a funding agreement between the Council and the surgery.
- 1.2 This report confirms receipt of the first phase of funds from the development and a draft funding agreement has been prepared with the surgery and their lenders. The report recommends that the Council formally allocate the £400,000 to the Surgery in line with the funding agreement to support the delivery of the extension.

2. BACKGROUND

- 2.1 The District CIL was adopted by Full Council on 21 March 2017, and the charges were implemented from 1st July 2017. The process for the collection, spending and reporting of CIL monies must be transparent and undertaken in line with the requirements set out in the CIL Regulations.
- 2.2 The report to the Governance and Audit Committee on 28 February 2017, sets out the governance arrangements for allocating, spending and reporting on the Bradford CIL. This resolved that CIL receipts will be directed into two main funding streams; a CIL Strategic Fund and a Neighbourhood CIL Fund. The Council will retain 5% of the total CIL receipts collected to cover administration and implementation costs.
- 2.3 The Council reports annually to Executive in July on the amount of CIL collected in the previous financial year and sets out the proposed allocation of the funds. The report to the 13th July 2023 meeting of Executive considered a specific request from the Grange Park GP Surgery to provide £400, 000 toward to cost of the extension to the surgery to meet the needs of the community and that of the future residents of new housing development which will take place in the coming years. The report set out in section 3 the details of the request and provided in Appendix 2 further details as submitted by the Surgery.
- 2.4 The request is linked directly to the planning permission for a residential development of 475 dwellings, granted at Land at Sun Lane and Ilkley Road, Burley in Wharfedale. The development will be constructed over nine phases with each phase having its own CIL liability to be paid when it commences. In total the development will generate a CIL payment of £5,641,305.69.
- 2.5 Three of the nine phases have commenced and the CIL liability for those three phases totals £2,132,026.22. Each phase will pay their individual liability in four equal instalments spanning a two-year period. This is in line with the CIL instalments policy. The first instalments are due September 2023 with subsequent instalments due at six-month intervals.

2.6 Senior officers have been approached by Grange Park Surgery, Burley in Wharfedale to request a CIL allocation to help fund an extension to their practice. The extension is required to help meet demand from the new housing development.

2.7 The Executive resolved that:

(6) That, at the July 2024 Executive, the Executive agrees to consider a further report prepared by the Strategic Director in consultation with Portfolio Holder on whether or not to allocate a maximum of £400,000.00 from the Sun Lane CIL payments to help fund the extension works to the Grange Park Surgery in Burley in Wharfedale. The allocation will be subject, amongst any other matters deemed necessary by the Council, to the following conditions:

- 1. That the Grange Park Surgery enter a funding agreement with BMDC setting out the process for drawing down the CIL funding, the return of unspent money and the arrangement for returning the monies should the Surgery cease to exist this may include placing a legal charge on the property. Bradford Council reserve the right to include other matters in any such funding agreement.**
- 2. That the Grange Park Surgery only request CIL funding once the funds raised by personal loans have been exhausted.**
- 3. All requests for CIL funding to be drawn down must be supported by evidence of spend.**
- 4. In the event that planning permission for the extension is not secured, or is secured but fails to commence and therefore expires, the CIL allocation will not be allocated to the Surgery for use on other projects. The CIL allocation is only to assist in the extension development once the appropriate planning permission has been secured.**

2.8 Following the July Executive the Council has received the CIL funds from the Sun Lane Development linked to the first phases.

2.9 The Council has drafted a funding agreement with engagement with the Surgery, together with their lender and NHS Health and Care Partnership which will support the use of the allocated funding to support the total costs of the extension. The balance of the required funds is to be provided by the Surgery.

2.10 The Surgery has planning permission for the extension and has engaged a builder through a design and build contract to take forward the scheme to implementation.

- 2.11 The draft funding agreement is contained in Appendix 1. This sets out the approach to making the funding available and safeguarding of the public funds. The payments are linked to those of the lender and a build programme which is regularly monitored. This is a change to the approach agreed at Executive in July 2023 which under (2) saw CIL as the last source of funding. The report recommends that a change to the approach is approved which allows the CIL grant funding to be released in advance in tranches based on the construction plan for the extension alongside the personal loans secured by the Surgery.

3. OTHER CONSIDERATIONS

- 3.1 The CIL allocation and spend will be monitored and reported in the annual Infrastructure Funding Statement.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 The proposed allocation was considered by Executive in July 2023 and allocated subject to the funds being paid by the developer and a further report to Executive. The Council has now received the initial payments linked to the first phases of development which are sufficient to cover the proposed allocation.
- 4.2 The funding agreement sets out the key controls for making the funds available and monitoring progress.
- 4.3 The implementation and monitoring of the spend with the Surgery will be undertaken within the service as part of the regular CIL implementation function which is supported by an annual contribution from CIL.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 The collection, spend and reporting of CIL is governed by legislation set out in the Planning Act 2008 (as amended by the Localism Act 2011) and the CIL Regulations 2010 (as amended). If the Council does not follow appropriate governance arrangements for collecting, spending and monitoring CIL consistent with the CIL Regulations then the Council runs the risk of challenge over the use of CIL monies being upheld.
- 5.2 The report to the Governance and Audit Committee on 28 February 2017 sets out the governance arrangements for allocating, spending and reporting on CIL.
- 5.3 The allocation of the funds is linked to a funding agreement which sets out the key conditions for the spend, to ensure the good use of public funds and compliance with the appropriate use of CIL.
- 5.4 The funding agreement has been drafted to ensure appropriate use of public funds and protect the Council. The funding agreement has been drafted in consultation with all of the key parties.

6. LEGAL APPRAISAL

- 6.1 The adopted Bradford CIL Charging Schedule has been prepared and implemented in line with the appropriate, legislation (UK and EU), regulations and guidance.
- 6.2 The process for implementing the CIL Charging Schedule and spending CIL monies is set out in the CIL Regulations 2010 (together with subsequent amends). From April 2015 the CIL regulations introduced restrictions on the use of S106 Agreements to secure infrastructure, commonly referred to as the “Pooling” restrictions (these restrictions were removed in September 2019). If the Council does not follow appropriate governance and spending arrangements consistent with the CIL Regulations, then the Council runs the risk of challenge over the use of CIL monies.
- 6.3 The allocation of the funds meets the requirements of legislation and regulations which support the use of CIL for infrastructure.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

The CIL will support the delivery of infrastructure and sustainable development across the district and help to mitigate the impacts arising from of growth. The allocation of CIL to the Surgery supports the expansion of local facilities alongside the new development and minimises the need for the community to travel to other facilities further away.

7.2 TACKLING THE CLIMATE EMERGENCY IMPLICATIONS

None

7.3 COMMUNITY SAFETY IMPLICATIONS

None

7.4 HUMAN RIGHTS ACT

These issues have been considered and no implications have been identified.

7.5 TRADE UNION

None

7.6 WARD IMPLICATIONS

The allocation supports the expansion of the facility within Burley in Wharfedale which supports the communities within the Wharfedale ward.

7.7 AREA COMMITTEE ACTION PLAN IMPLICATIONS

None

7.8 IMPLICATIONS FOR CORPORATE PARENTING

None

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

- 9.1 The CIL is a key part of the delivery of the Council Plan priorities and can be spent on any infrastructure priority. This report recommends the investment of the CIL to support expansion of existing health provision in Burley in Wharfedale to allow it to meet both current pressures but also that from new development which will increase the population in the area.
- 9.2 Option 1: Approve allocation of the CIL funds to The Surgery on the basis of the draft funding agreement in Appendix 1. This allows for release of CIL funds alongside the private funding with appropriate controls monitoring spend and release of funds linked to the agree build out schedule.
- 9.3 The allocation of the CIL reflects appropriate use of such funds and directs the funding from the local site back into the community.
- 9.4 Option 2: Do not approve CIL funds to the Surgery.
- 9.5 The CIL Fund may be allocated to alternative infrastructure priorities but the lack of funding would risk the expansion of health provision in the locality in line with the expectations of national policy and guidance which supports investment in such infrastructure linked to new development.
- 9.6 Option 3: Approve the allocation of CIL in line with original Executive resolution.
- 9.7 The CIL allocation would only be used the once the funds raised by personal loans have been exhausted, as set out in the July 2023 Executive report and the associated resolutions (see extract at paragraph 2.4 above).
- 9.8 The Executive is recommended to follow option 1 as this supports the delivery of the new facility with appropriate controls over the use of public funds.

10. RECOMMENDATIONS

Recommended -

- 10.1 That the Executive approves the allocation of £400,000 from CIL to the Grange Park Surgery, Burley in Wharfedale
- 10.2 The allocation be made available in line with the mechanism set out within the draft funding agreement which allows staged draw down linked to the construction plan
- 10.3 That the implementation of the funding agreement and any variation required is delegated to the Strategic Director (Place) in consultation with the Interim Director of Legal and Governance, Section 151 Officer and the Portfolio Holder.

11. APPENDICES

Appendix 1: Draft Funding Agreement with Grange Park Surgery, Burley in Wharfedale

12. BACKGROUND DOCUMENTS

- Bradford District CIL Charging Schedule (2017)
- Report 'Governance Arrangements for the Bradford CIL Charging Schedule' to the Governance and Audit Committee on 28 February 2017
- Report K to Executive 13th July 2023