

HAVANT BOROUGH COUNCIL
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HAMPSHIRE P09 2AX

Telephone: 023 9247 4174
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CABINET AGENDA

Membership: Councillor Cheshire (Chairman)

Councillors Briggs, Branson, Fairhurst, Guest and Weeks

Meeting: Cabinet

Date: Wednesday 25 June 2014

Time: 2.00 pm

Venue: Hollybank Room, Public Service Plaza, Civic Centre Road,
Havant, Hants PO9 2AX

The business to be transacted is set out below:

Jo Barden-Hernandez
Service Manager – Legal & Democratic Services

17 June 2014

Contact Officer: Penny Milne 02392446234
Email: penny.milne@havant.gov.uk

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PART 1 (Items open for public attendance)

1 Apologies for Absence

To receive and record any apologies for absence.

2 Minutes

1 - 2

To confirm the minutes of the last meeting held on 30 April 2014.

3 Matters Arising

To consider any matters arising from the minutes of the last meeting.

4 Declarations of Interests

To receive and record any declarations of interest.

5	Chairman's Report	
6	Appointment of Working Parties and Panels	3 - 4
7	Appointments to Outside Organisations	5 - 14
8	Recommendations from the Scrutiny Board	15 - 24

To consider the following recommendation arising from the Scrutiny Board meeting held on 3 June 2014 (report attached).

RECOMMENDED to the Cabinet that:

- (1) Closer scrutiny of Mayoral engagements take place to ensure cost-efficiency to the Council and to maximise value to the organisation concerned;
- (2) The Economic Development Team, in conjunction with the relevant Portfolio Holder, be encouraged to liaise more closely with the Mayor's support team to identify suitable events at an early stage;
- (3) Closer liaison between the Mayor and the Cabinet/Joint Management Team to ensure that no opportunity for maximising the role of the Mayor to promote/raise the profile of the Borough is missed; and
- (4) Alternatives to using porta cabins as polling stations be sought in order to minimise costs.

Leader's Portfolio

9	Provisional Outturn 2013-14	25 - 34
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Planning and Built Environment Portfolio

10	Neighbourhood Planning in Emsworth	35 - 38
11	Community Infrastructure Levy: Funding Decision Protocol	39 - 62

PART 2 (Confidential items - closed to the public)

None.

GENERAL INFORMATION

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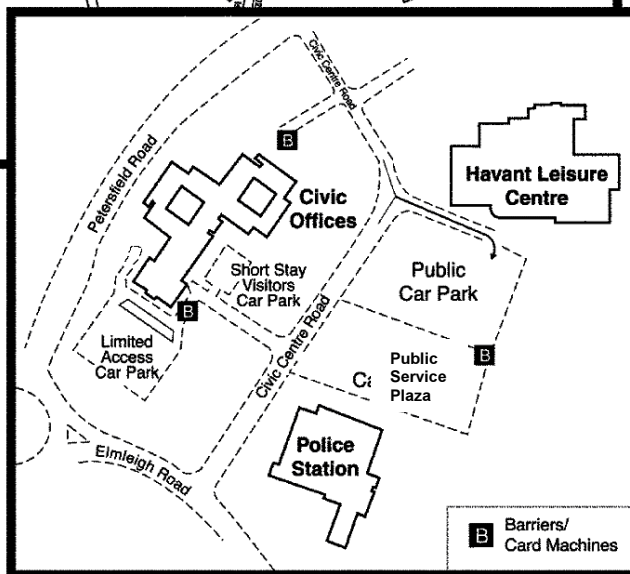
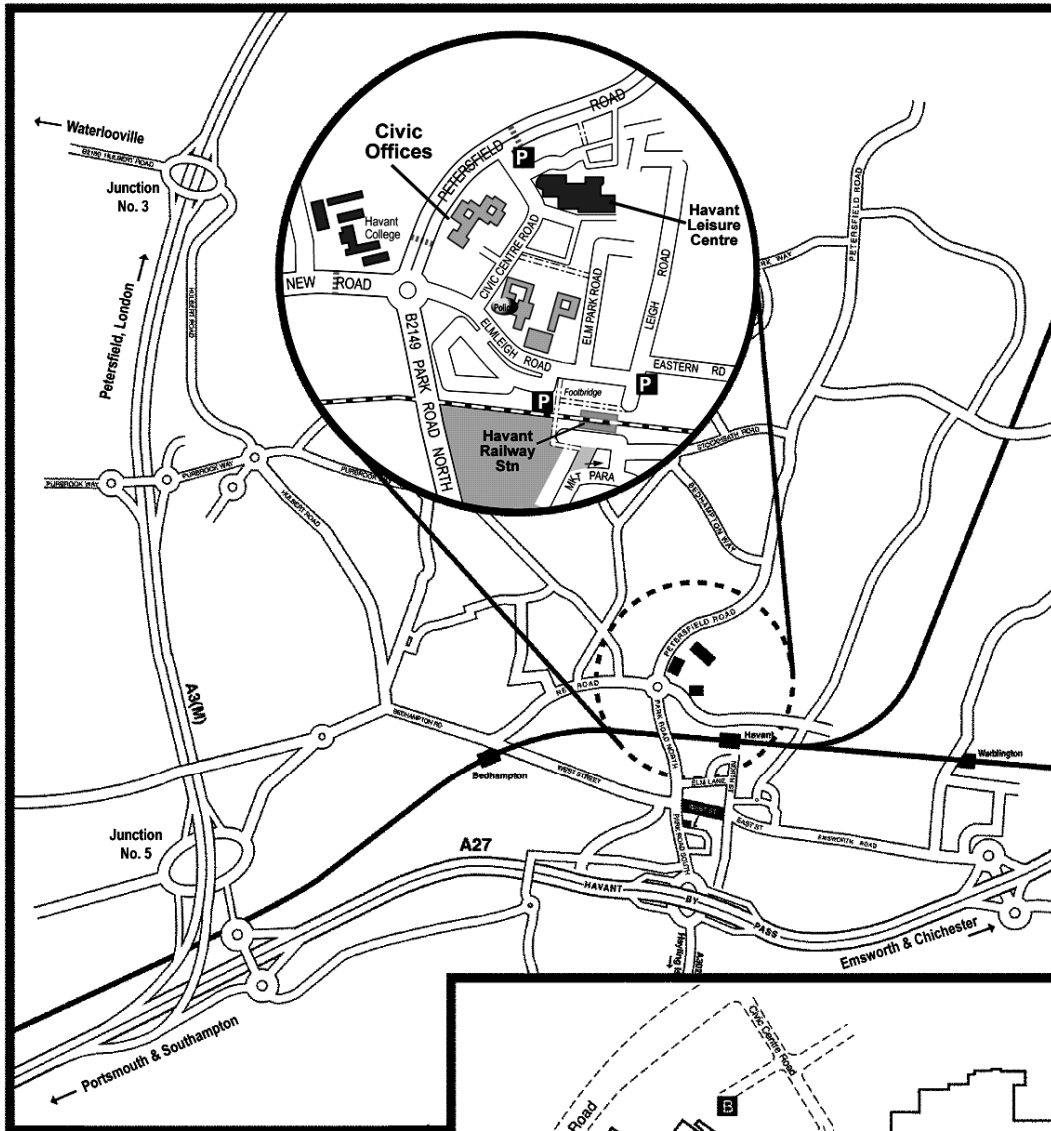
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HAVANT BOROUGH COUNCIL

At a meeting of the Cabinet held on 30 April 2014

Present

Councillor Briggs (Chairman)

Councillors Branson, Cheshire, Fairhurst, Guest and Weeks

67 Apologies for Absence

Apologies for absence were received from Councillor D Collins.

68 Minutes

The minutes of the meeting held on 19 March 2014 were agreed as a correct record.

69 Matters Arising

There were no matters arising from the minutes of the last meeting.

70 Declarations of Interests

There were no declarations from any of the members present.

71 Chairman's Report

72 Portfolio Holder Delegated Decisions, Minutes from Meetings etc.

RESOLVED that the following delegated decisions and minutes be noted:

- (1) Minutes of the Portchester Crematorium Joint Committee meeting held on 10 March 2014;
- (2) Delegated decision by Environment and Neighbourhood Quality Portfolio Holder – Extension to Call and Go Bus Service Contract.

73 Langstone Harbour Board

The Cabinet considered a report setting out the Council's position on the future of the funding of Langstone Harbour Board and its relationship with the Board.

RESOLVED that

- (1) the position towards the Langstone Harbour Board set out in section 4 of the report be agreed;
- (2) a contribution of up to £10,000, to provide consultancy support which will assist the Board in achieving the aims set out in section 4 of the report be agreed and authority to spend this money be delegated to the

Executive Director; and

- (3) agreement of a memorandum of understanding between Havant Borough Council, Langstone Harbour Board and Portsmouth City Council be delegated to the Executive Director.

74 Exclusion of the Press and Public

RESOLVED that the press and the public be excluded from the meeting during the consideration of the following item as:-

- (i) it was likely, in view of the nature of the business to be transacted, or the nature of the proceedings, that if members of the public were present during that item there would be disclosure to them of exempt information as specified in paragraph 3 of Part I of Schedule 12A (as amended) to the Local Government Act 1972; and
- (ii) in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The report to be considered was exempt under Paragraph 3 – Information relating to the financial affairs or business affairs of any particular person (including the Authority holding that information).

75 Textile Collection Contract - Allocation of Funds to Charities and Revenue Budget

(This item was taken in camera)

RESOLVED that the recommendations set out in the report, as amended and set out in the confidential minute, be approved.

The meeting commenced at 2.00 pm and concluded at 2.05 pm

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Chairman

HAVANT BOROUGH COUNCIL

CABINET

APPOINTMENT OF WORKING PARTIES AND PANELS

Report of Democratic Services Team Leader

Cabinet Lead for Governance & Logistics: Cllr Branson

Key Decision: No

1.0 Purpose of Report

1.1 To inform the Cabinet of the Panels and Working Parties that will be required during 2014/2015 and to appoint members to them as appropriate.

2.0 Recommendation

2.1 That the continuation of the Coastal Defence Panel and Local Plan Panel be considered and appointed to.

3.0 Summary

3.1 Panels and Working Parties are needed from time to time throughout the Municipal Year to work on various projects and report back to parent Committees with any recommendations.

4.0 Subject of Report

4.1 Consultation has been undertaken with officer colleagues to ensure that only the required Panels and Working Parties are appointed to. To this end, the list set out below contains groups which will be required throughout the Municipal Year.

4.2 **Coastal Defence Panel** – still required by the Coastal Defence Team to inform and discuss with members coastal issues and ideas. Last year's membership was:

Guest, Branson, L Turner, K Smith, Pierce Jones and Galloway.

4.3 **Local Plan Panel** – Planning Policy need the panel to continue to enable members to guide the allocations process. Last year's membership was:

Hilton, Hart, Lenaghan, Guest, Keast, Buckley, Mrs Shimbart, Gibb-Gray, Heard, Turner, Wilson, Brown and Sceal.

(Development Management Committee Standing Deputies are also included for information but do not usually attend – D Smith, Galloway and Hart)

5.0 Implications

5.1 Resources: None

5.2 Legal: None

5.3 Strategy: It is essential that the Council has input and considers matters of importance in a timely fashion. The panels and working parties enable thorough consideration of such matters.

5.4 Risks: Proper consideration of matters before the panels and working parties will ensure that adverse risk is minimised by allowing time to consider a range of options.

5.5 Communications: None

5.6 For the Community: None

Appendices: None

Background Papers: Files held in Democratic Services

Agreed and signed off by:

Legal Services: 16 June 2014

Finance: 16 June 2013

Contact Officer: Penny Milne
Job Title: Democratic Services Team Leader
Telephone: 02392 446234
E-Mail: penny.milne@havant.gov.uk

HAVANT BOROUGH COUNCIL

CABINET

25 June 2014

APPOINTMENTS TO OUTSIDE ORGANISATIONS

Report by the Democratic Services Officer

Cabinet Lead for Governance and Logistics Portfolio: Councillor Jackie Branson

Key Decision: No

1.0 Purpose of Report

1.1 To appoint members to represent the Council on the governing bodies of various outside organisations for the 2014/15 municipal year.

2.0 Recommendation

That

2.1 The Cabinet appoints members to represent the Council on those outside organisations set out in Appendix A; attendance at meetings of the organisations concerned to qualify as an Approved Duty and all appointments to have effect until the first meeting of the Cabinet in the 2015/16 municipal year.

3.0 Summary

3.1 Appendix A to this report sets out the detail of those appointments that now fall to be made by the Cabinet, together with an indication of any special requirements where these are applicable. All such appointments, when made, will have effect until the first meeting of the Cabinet in the 2015/16 municipal year.

4.0 Implications

4.1 Resources:

As an approved duty, if members choose to claim subsistence allowance for attendance at meetings, this will be a charge against the Council's budget for which funding is available.

4.2 Legal:

None arising directly from this report.

4.3 Strategy:

It is essential that the Council has an input into the running of those organisations that either provide services to the Borough or use Council resources in order to function.

4.4 **Risks:**

Having no involvement in the way these organisations are run may have an adverse effect on the Council should criticism arise.

Increasing the amount of meetings that members attend may draw their time and resources away from other work.

4.5 **Communications:**

None arising directly from this report.

4.6 **For the Community:**

Sound management of these organisations must be achieved and the Council should ensure that such organisations are carrying out their duties in the best interests of their customers.

5.0 **Consultation**

Not Applicable.

Appendices:

Appendix A – Appointments to Outside Organisations to be made in 2014/15

Background Papers:

Nil

Agreed and signed off by:

Service Manager, Legal and Democratic Services: 16 June 2014

Executive Head of Governance & Logistics: 16 June 2014

Contact Officer: Penny Milne
Job Title: Democratic Services Officer
Telephone: (023) 9244 6234
E-Mail: penny.milne@havant.gov.uk

APPENDIX A

	ORGANISATION	No. Appointments to be made	Appointment 2014/15	SPECIAL REQUIREMENTS
1	Age Concern	One	Cllr D Smith	None
2	Alleygating Panel	N/A	N/A	Relevant Ward Members depending on location of alley to be considered for closure
3	Bedhampton Social Hall Association	One	Cllr Ken Smith	None
4	Cowplain Activtiy Centre Association	One	Cllr Mrs Marjorie Smallcorn	Ward Councillor
5	Community Safety Partnership	One	Cllr Michael Cheshire MBE	
6	Domestic Violence Focus Group	One	Cllr Tarant	None

	ORGANISATION	No. Appointments to be made	Appointment 2014/15	SPECIAL REQUIREMENTS
7	Emsworth Maritime Historical Trust	One	Cllr Richard Galloway	Clause in Lease states that the Council may appoint one representative to serve on the governing body of the Trust (which is the body concerned with the day to day management of the Trust and its premises)
8	Guinness Hermitage	One	Cllr Yvonne Weeks	
9	Hampshire and Isle of Wight Local Government Association	Two	Cllrs Briggs a David Guest	Must be members of the Executive
10	Hampshire Buildings Preservation Trust	One	Cllr David Guest	None

	ORGANISATION	No. Appointments to be made	Appointment 2014/15	SPECIAL REQUIREMENTS
11	Havant and District Citizens Advice Bureaux	One	Cllr Michael Wilson	None
12	Havant Arts Centre Co Ltd	One	Cllr Jackie Branson	None
13	Havant Borough Sports Association	One	Cllr Mrs Yvonne Weeks	None
14	Havant Council of Community Service	One	Cllr Colin Mackey	None
15	Havant Housing Association	One	Cllr Mrs Yvonne Weeks	None
16	Hampshire (South East) Road Safety	One	Cllr Ken Smith	None
17	Havant Thicket Joint Members' Panel	Five	Cllr David Guest	Portofio Holder, Chairman of DMC, Three Ward Councillors

	ORGANISATION	No. Appointments to be made	Appointment 2014/15	SPECIAL REQUIREMENTS
18	Havant Thicket Reservoir Stakeholder Group	One	Cllr David Guest	None
19	Hayling Island Community Centre Association	One	Cllr Andrew Lenaghan	None
20	Leigh Park Community Association Management Committee	One	Cllr Frida Edwards	None
21	Local Democracy and Accountability Network	Up to Two	Cllr Gerald Shimbart	Scrutiny Chairs are recommended
22	Local Government Association - "Urban Commission"	One	Cllr Cheshire	None
23	Local Government Association (Assembly)	One	Cllr Cheshire	None

	ORGANISATION	No. Appointments to be made	Appointment 2014/15	SPECIAL REQUIREMENTS
24	Local Government Association Coastal Issues Special Interest Group	One	Cllr David Guest	None
25	Off The Record	One	Cllr Yvonne Weeks	None
26	Parking Patrol Adjudication Panel and Traffic Regulations Outside London Adjudication Joint Committee (PATROL)	One	Cllr David Collins	None
27	Portchester Crematorium Joint Committee	Two	Cllrs Tony Briggs and David Collins	Must be members of the Executive
28	Portsmouth City Council Health Overview and Scrutiny Panel	One	Cllr Mrs Gwen Blackett	None

	ORGANISATION	No. Appointments to be made	Appointment 2014/15	SPECIAL REQUIREMENTS
29	Project Integra Strategic Board	One plus non-voting Standing Deputy	Cllr Tony Briggs with David Collins (Deputy)	Must be an Executive Member
30	PUSH Joint Management Committee	One	Cllrs Cheshire and Briggs (either may independent upon circumstances)	Normally but not necessarily the Leader of the Council
31	PUSH Overview and Scrutiny Committee	One	Cllr Gerald Shimbart	Both to be non-Executive members
32	Relate	One	Councillor Wilson	None
33	Solent Forum	One	Cllr David Guest	None
34	South Eastern Hampshire Clinical Commissioning Group	One	Cllr Yvonne Weeks	

	ORGANISATION	No. Appointments to be made	Appointment 2014/15	SPECIAL REQUIREMENTS
35	South East of England Councils	One	Cllr Cheshire	
36	Southern and South East England Tourist Board	One	Cllr Ken Smith	None
37	Southleigh Youth Recreation Community Hall	One	Cllr Mackey	None
38	Springwood Centre	One	Cllr Cyril Hilton	None
39	Standing Conference on Problems Associated with the Coastline (SCOPAC)	One	Cllr David Guest with Cllr Jackie Branson (Deputy)	None
40	Staunton Country Park Management Committee	One	Cllr Mrs Yvonne Weeks	None
41	Three Harbours and Coastal Plain Local Action Group	One	Cllr Brendan Gibb-Gray	None

	ORGANISATION	No. Appointments to be made	Appointment 2014/15	SPECIAL REQUIREMENTS
42	Waterlooville Area Community Association	One	Cllr Mike Sceal	None
43	WeBigLocal	One	Cllr Shimbart	Co-opted Member
44	Wecock Community Centre Association	One	Cllr Gerald Shimbart	None
45	West of Waterlooville Forum	Four plus 2 Standing Depts	Cllrs Majorie Smallcorn, Mrs Blackett, Gerald Shimbart and Peter Wade	Must not be members of DC
46	Westbrook Hall Association	One	Cllr David Keast	None

HAVANT BOROUGH COUNCIL

SCRUTINY BOARD

THE DEMOCRATIC PROCESS - UPDATE

Report by the Governance and Logistics Panel

Councillor L Turner (Scrutiny Lead)

Councillors R Bastin, R Heard, A Lenaghan, M Smallcorn

Governance and Logistics Portfolio: Councillor J Branson

Key Decision: N/A

1.0 Purpose of Report

1.1 The purpose of this report is to provide an update to the Board following the Cabinet's consideration of the Panel's original report which went before the Cabinet on 5 February 2014.

2.0 RECOMMENDED to the Cabinet that:

2.1 Closer scrutiny of Mayoral engagements take place to ensure cost-efficiency to the Council and to maximise value to the organisation concerned;

2.2 The Economic Development Team, in conjunction with the relevant Portfolio Holder, be encouraged to liaise more closely with the Mayor's support team to identify suitable events at an early stage;

2.3 Closer liaison between the Mayor and the Cabinet/Joint Management Team to ensure that no opportunity for maximising the role of the Mayor to promote/raise the profile of the Borough is missed; and

2.4 Alternatives to using porta cabins as polling stations be sought in order to minimise costs.

3.0 Summary

3.1 The Panel's brief was to investigate the cost and benefits of the democratic process in Havant, to measure the value of the councillor / resident link, establish if it is strong enough and suggest any changes

3.2 The Panel's original report went before the Cabinet on 5 February 2014 where it was recognised that the Panel had undertaken a considerable amount of work to review the various elements of the Council's democratic function. The two recommendations in the report which related to the visibility of the Cabinet decision making process were not approved, however it was noted that other

potential recommendations were contained within the report and these could be brought forward at a later date. This updated report contains these new recommendations for consideration.

- 3.3 The second stage of the review, which didn't form part of the original report, was to measure the value of the councillor / resident link. The findings from this stage of the review are included in this report.
- 3.2 The Panel decided to divide the review into two stages:
- (a) Stage 1 - Investigated the cost and benefits of the Council's democratic processes with a view to identifying any potential improvements and/or financial savings. The scope of the review focussed on the following key areas:
- Role and function of the Mayor– The review looked at the functions of the Mayor and what support is provided by officers. The Panel consulted a small group of past Mayors to help inform this work.
 - Elections and electoral registration - The Panel examined electoral registration and the running of elections. This included possible joint working with EHDC, electoral registration, location of counts, the number and staffing of polling stations and the increase in postal voting.
 - Support to Councillors, including training – The Panel looked into the support provided to councillors, including what support was needed and how it was provided.
 - Visibility of Cabinet Decision Making – The Panel gauged the opinion on how visible cabinet decision making was perceived to be.
- (b) Stage 2 - to measure the value of the councillor / resident link, establish if it is strong enough and suggest any changes.

4.0 Elections

- 4.1 The Panel conducted interviews with the Democratic Services Team Leader and the Electoral Services Team Leader who provided an overview of the current electoral process in the borough. The electoral staff are governed by the Electoral Commission and the department has guidance rules, which combined with local knowledge, helps ensure the smooth operation of elections in the area.
- 4.2 The Panel was keen to identify any potential savings available in the electoral process. Postal votes are currently very popular and it was thought that if more people vote this way it may be possible to reduce the number of polling stations. This would reduce the number of staff required to work at the stations and hence reduce staff costs. Following our interviews though the statistics reveal that the number of postal votes appear to have peaked and are now not increasing annually as they previously have done. Even at current levels of postal votes this has not reduced the need for polling stations and therefore the number of polling stations and staff has to be maintained.

- 4.3 It appears Central Government are also making plans to reduce the number of postal votes and return to the process where only postal votes are issued for certain circumstances in order to combat electoral fraud. Postal votes still require lots of staff time as well, a new signature is needed every five years which adds to costs. Many people also drop their postal votes off at polling stations on the day of the election which causes confusion with the system and increases workload due to the detailed procedure that has to be followed to open them.
- 4.4 Despite no reduction in the number of polling stations throughout the borough savings have been made by Havant Borough Council (HBC) who usually employ approximately 24 less clerks at each election than suggested by the European Commission. This has been achieved through smarter methods of working.
- 4.5 Another potential area we looked into for savings was the location of election counts and the sharing of resources with East Hampshire District Council (EHDC). Often local elections double up with other elections, such as County or European elections. Officers have examined the different costs and where joint elections are concerned it is recommended that the Horizon Leisure Centre is used for the count. When the elections are purely local though the most economical option is to have the count in the ward e.g. one of the polling stations, this way costs can be minimised. Potentially, the Plaza could hold the local elections with the possibility of a room for each ward and count. This is considered a good idea where everyone would then proceed to the atrium for the announcements. The problems that would need considering with this option though would be the security required to undertake it and if the appropriate number of rooms would be available. The possibility of holding joint counts with EHDC had been examined but a break down of the costs had revealed that it provided no savings, the vast area of both boroughs combined being the main reason for this. Therefore it is considered continuing to hold them separately is the best option.
- 4.6 One area where savings could be recognised was through finding an alternative to two porta cabins which are currently used at Auriol Drive, Bedhampton and Island Close, Hayling Island. Using these is expensive but it is proving difficult to find an alternative at these locations. Overall though the electoral department is currently operating very efficiently and last year actually operated under budget.

5.0 Councillor Training and Development Programme

- 5.1 The Councillors' Training and Development Programme has been in place since the end of 2013 and aims to help members prepare for the various roles they may hold in the Council, as well as ongoing training to help them develop and fulfil their role effectively. The programme aims to provide general training for all Councillors, together with specialist training for individual Councillors as and when required.
- 5.2 A range of different types of training and skills development needs, deemed to be appropriate for Councillors at different stages of their local government careers, was identified by the Joint Human Resources Committee and underpins the training programme (Appendix A), which was put together in consultation with Cllr Branson as Portfolio Holder for Governance and Logistics:

New Councillor	<ul style="list-style-type: none"> • Induction Programme • E-Learning 'How to be a Councillor' • Mentoring Programme • Media Skills • IT Training • Specialist Training
Committee Chairman	<ul style="list-style-type: none"> • Specialist Training • Charing Skills • Public Speaking Skills • Objection Handling Skills • Negotiation Skills
Cabinet Member	<ul style="list-style-type: none"> • Leadership Skills • Enhanced Public Speaking • Advanced Negotiation/Influencing Skills • Strategic Awareness • Role of Cabinet/Democratic Services

5.3 Key to the success of the training programme is good attendance and all Councillors have been strongly encouraged to make every effort to attend those training sessions that are relevant to their individual roles. In many cases, parallel training sessions have been held at EHDC, offering Councillors two options in terms of dates and times. An indication of attendance is also set out in Appendix A.

5.4 Councillors were asked to complete self-assessment 'Knowledge and Skills' forms (19 returned) to enable Councillors' training needs to be identified. Responses to the questionnaire show that Councillors were most interested in the following areas of development:

- Dealing with the Media
- Awareness of Equality
- Crime and Disorder
- Data Protection
- Freedom of Information
- Human Rights Act
- Welfare Reform
- Demographics
- Health and Wellbeing
- Affordable Housing
- Troubled Families
- Issues Affecting the Coastline
- Using Microsoft Office (Power point & Excel)
- Monitoring Financial Information & Understanding the Budgetary Process
- Developing Partnerships & Understanding strategy Development
- Understanding the Role of Safeguarding
- Analysing and Speed Reading Complex information

5.5 Although not an exhaustive list, the main areas involve knowledge based understanding with changing policies, laws etc.

5.6 As part of its ongoing review of democratic processes, the Governance and Logistics Panel will monitor the delivery of the programme and assess its effectiveness with a view to developing the programme going forward and ensuring that Councillors' future training needs are proactively met on a targeted basis.

6.0 Mayor

6.1 The role and functions of the Mayor are set out in the Council's constitution and are defined as follows:

- (a) to uphold and promote the purposes of the Constitution;
- (b) to preside over meetings of the Council so that its business can be carried out efficiently and with regard to the rights of Councillors and the interests of the community;
- (c) to endeavour to ensure that the Council meeting is a forum for the debate of matters of concern to the local community and the place at which Councillors who are not on the Cabinet can hold all decision makers to account;
- (d) to promote public involvement in the Council's activities; and
- (e) to attend such civic and ceremonial functions as the Council and he/she determines appropriate.

6.2 The Panel was advised that officers had recently completed an in-depth review of the costs associated with the office of Mayor and savings that had been identified following that review had been agreed by the Council and factored into the 2012/13 budget. That being the case, and in order to avoid duplication of effort, the Panel decided that financial matters should be excluded from its own review, and that the focus should instead be on the role of, and the activities undertaken by, the Mayor with a view to identifying the priorities for the future within the agreed financial framework.

6.3 As part of its research, the Panel consulted with a group of former Mayors, asking them to share their experiences and to highlight particular successes as well as things that they felt might have been done differently during their terms of office. Feedback from that consultation indicated:

- (a) The Mayor should continue to be the "face" of the Council with a PR focus central to the role;
- (b) The "traditional" invitation-led role of the Mayor should be maintained, but with closer scrutiny of the engagements that are accepted to ensure cost-efficiency to the Council and maximum value to the organisation concerned;
- (c) Opportunities should be explored to reduce the volume of costly external weekend engagements attended by the Mayor in favour of inviting more organisations to meet with the Mayor at the Plaza during the working day, whilst ensuring that the Mayor continues to meet with as many people as possible;
- (d) Recent Mayors have all, to some degree or another, actively engaged with the local business community, however, the role of the Mayor as a facilitator should be developed to encourage more networking opportunities for local and potential new businesses in the Borough;

- (e) David Willetts MP's willingness to become involved with regular meetings that he suggests the Mayor could facilitate with both large businesses as well as small/medium enterprises, to discuss issues such as apprenticeships and other key issues of interest to the local economy, should be followed up; and
 - (f) There should be closer liaison between the Mayor and the Cabinet/Joint Management Team to ensure that no opportunity for maximising the role of the Mayor to promote/raise the profile of the Borough is missed.
- 6.4 The Panel also interviewed lead officers in the Facilities Management team directly involved in supporting the Mayor. The officers supported the view that the office of Mayor could be better used to raise the profile of local events and to maximise networking opportunities with local businesses. It was suggested that the Economic Development Team, in conjunction with the relevant Portfolio Holder, be encouraged to liaise more closely with the Mayor's support team to identify suitable events at an early stage.
- 6.5 Whilst recognising that the acceptance of invitations to charity and other events is at the discretion of the Mayor, the officers agreed that a more selective approach could be used, both in the interest of costs and also to ensure that attendance by the Mayor is of value to both the Council and to the organisation concerned.
- 6.6 In terms of managing priorities for Mayoral activities within the agreed budget, the officers were satisfied that this could be achieved as long as a degree of flexibility is maintained, recognising that priorities will vary from year to year as different Councillors take up the office of Mayor. Taking into account also that each Mayor must have the freedom to personalise the role of Mayor, not wishing to attain a "one size fits all Mayoralty."

7.0 Visibility of Cabinet Decision Making

- 7.1 Following the original review two recommendations came forward which went to the Cabinet on 5 February 2014, these were:
- The Cabinet agenda should be published a minimum of ten working days before the meeting, to allow councillors and members of the public to make effective representation; and
 - Informal Cabinet meetings be opened to all councillors.
- 7.2 The Cabinet recognised the significant amount of work that had been done by the Panel to review the Council's democratic functions. The Cabinet was however, satisfied the arrangements currently in place for the publication of the agenda allowed sufficient time for councillors and members of the public to make effective representation and that Cabinet Briefing meetings should continue in the present format in order to allow free and informal discussions between Cabinet members and senior officers. The Cabinet therefore decided to not approve the two recommendations. For this reason the visibility of the Cabinet decision making process will not be considered in this updated report.

8.0 Councillor – Resident Link

- 8.1 The second stage of the review was to try and assess the link between residents and councillors. It was hoped this would establish whether residents were satisfied with the link to local councillors or if any improvements were required. To ascertain this information the Panel had requested a meeting with the Consultation and Market Research Adviser to discuss possible survey questions they could ask residents to obtain this information.
- 8.2 The Consultation and Market research Adviser informed the Panel of a residents survey which had been undertaken in 2011. This was a postal survey carried out using a random sample methodology to which 1,000 residents responded and had a response rate of approximately 50%. As the survey contained several questions relating to councillors it was felt that despite it having been undertaken in 2011 the results were still applicable.
- 8.3 The results revealed that the majority of the responders did know who their local councillor was but 36.1% did not. Other relevant results showed that 53.4% didn't know if their councillor was doing a good job and 47.6% didn't know if it was easy to contact their councillor or not. Looking at these results initially is a cause for concern but the Panel does recognise that often residents only feel the need to contact their councillor when they have a problem. This could explain why residents don't know if councillors are doing a good job or not.
- 8.4 A breakdown of the results by age group was asked for in order to examine if there were any variances in the results by age group. The results revealed that residents aged over sixty were more likely to know who their councillor was and how to contact them etc. This is encouraging as it shows councillors have a strong presence amongst the older age groups and the democratic link between the two is robust. The younger age groups had less knowledge of their local councillors, this could be explained by a potential lack of interest or that they have jobs and therefore less available time to participate with councillors locally. The Panel were aware that the Marketing and Development Scrutiny Panel had produced a valuable scrutiny report on Havant Borough Council's marketing strategy to attempt to encourage residents to interact with the council via other sources such as Facebook and Twitter. A new residents survey was due to be undertaken later on in 2014 and hopefully this will reveal that the new communication initiatives developed are working which will hopefully involve a larger number of younger residents in the democratic process.

9.0 Implications

9.1 Resources:

The Panel Members believe that:

- (a) any proposed changes to mayoral engagements could impact on workflows; and
- (b) If alternatives to using porta cabins for elections can be found this could potentially reduce the financial impact on the council.

9.2 **Legal:**

There are no direct legal implications arising from this report.

9.3 **Strategy:**

Improved democratic processes directly link to the Corporate Strategy.

9.4 **Risks:**

The Panel Members believe that by improving the democratic process the Council reduces the risk of running financially unsustainable processes.

9.5 **Communications:**

The increased use of social media to contact residents could encourage younger age groups to participate in the democratic process.

9.6 **For the Community:**

9.7 **The Integrated Impact Assessment (IIA) has been completed and concluded the following:**

There was no IIA completed in the preparation of this report.

9.0 **Consultation**

The Panel has consulted:

- (a) previous Mayors and the current Mayor of the Council;
- (b) lead officers in the Facilities Team;
- (c) the Democratic Services Team Leader; and
- (d) the Electoral Services Team Leader.
- (e) the Consultation and Market research Adviser

Appendices:

Appendix A – Training Programme

Background Papers:

None

Agreed and signed off by:

Legal Services: 21 May 2014

Contact Officer: Tristan Fieldsend
Job Title: Democratic Services Officer
Telephone: 02392 446233
E-Mail: tristan.fieldsend@havant.gov.uk

APPENDIX A

External Audit

Facilitated by Ernst and Young external auditors, for members of the Governance & Audit Committee
20 November 2013 (4 attended)

Planning Training – Changes to HBC Constitution

Facilitated in-house - Open to all HBC Councillors
25 November 2013 (8 attended)

Code of Conduct – HBC

All Councillors expected to attend if at all possible
6 and 13 January 2014 (20 attended)

Debt Summit – Living on the Edge

One-off request to attend conference from Cllr Ponsonby agreed by HBC Leader
Local Government Information Unit, London
21 January 2014

Chairing Skills

Open to all Chairmen and Vice Chairmen, including Panel Chairmen
Facilitated by Julia Wright Associates
HBC 8 January 2014, 2.00pm (9 attended)

Planning Training – Appeal Decisions

Facilitated in-house – Open to all HBC Councillors
27 January 2014 (15 attended)

Councillors Strategic Leadership Skills

Cabinet Members / O&S Chairs (max 15)
Facilitated by Mark Palmer, South East Employers (7 attended)

Individual Electoral Registration Presentation

Open to all Councillors - Facilitated by Cabinet Office
HBC 12 March 3.00pm (13 attended)

Media Skills/Complaints Handling

All members - to be facilitated inhouse by Debbie Fox/Dawn Adey/Comms Team
HBC 27 March 2014, 10.00am - (11 attended)

Public Speaking Skills

All members
Externally facilitated by Sue Keogh, South East Employers
HBC 17 April 2014, 10.00am (7 attended)

Councillor Induction

For new Councillors following elections. Dates to be confirmed.

Social Media Training

All Councillors – externally facilitated

19 June 2014 – HBC, 10am (Hollybank Room) (TBC)

Overview and Scrutiny

O&S members to include scoping, research, report writing and questioning skills

Externally facilitated

HBC 15 July 2014, 10.00am - INLOGOV – John Cade - CONFIRMED

Future dates set aside for training to be identified:

HBC 17 September 2014, 2.00pm

EHDC 23 September 2014, 6.00pm

HBC 28 October 2014, 10.00am

EHDC 4 November 2014, 6.00pm

HBC 3 December 2014, 10.00am

EHDC 9 December 2014, 6.00pm

HBC 28 January 2015, 10.00am

EHDC 3 February 2015, 6.00pm

EHDC 17 March 2015, 6.00pm

HBC 24 March 2015, 10.00am

LEAVE APRIL CLEAR FOR ELECTIONS

NON EXEMPT

HAVANT BOROUGH COUNCIL

CABINET

25 June 2014

Provisional Outturn 2013-14

Report by Simon Little, Service Manager (Finance)

FOR DECISION

Leader's Portfolio: Councillor M Cheshire MBE

Key Decision: Yes

1.0 Purpose of Report

1.1 This report is to advise Cabinet of the provisional Revenue Outturn for 2013/14 and asking them to approve the transfer of the residual surplus to the General Fund.

2.0 Recommendation

2.1 That Cabinet note the Outturn position and their previous agreement to:

- carry forward £85,000 for the Local Development Framework,
- carry forward £218,000 for Major buildings repairs.

2.2 That Cabinet:

- Set aside £500,000 in the General Fund to cover the 2014/15 reduction in Business Rates income to cover backdated appeals on the Retained Business Rates system.
- Note that the £93,000 from Central Government received following the winter floods to fund grants will be paid to businesses and households during 2014/15.
- That £1,152,000 is set aside in the General Fund to support the delivery of the Council's vision, driving forward opportunities to transform public services and create financial efficiency.

3.0 Summary

3.1 The provisional revenue outturn position indicates a surplus of £2,048,000. This is an increase from the forecast at Quarter 3 of £890,000 of £1,158,000. Analysis is provided in section 4.

NON EXEMPT

4.0 Subject of Report

4.1 The main variances that make up the surplus of £2,048,000 can be categorised as follows, a reconciliation is included in Appendix B:

4.1.1 2013-14 was the first year of the Retained Business Rates scheme, being a transitional year, with the scheme not being finalised until after the budget preparation, some anomalies have appeared which effect both 2013-14 and 2014-15. The calculation for the scheme includes a number of tariffs and levies to central government. The scheme also transfers the risk for backdated rateable value appeals and bad debt. The impact of this on the general fund is to inflate the income received in 2013-14 and deflate that in 2014-15. Therefore we recommend the Cabinet set aside £500,000 from the surplus generated this year to cover the expected shortfall in the next. The calculation for retained business rates is:

Collection Fund	Budget £000	Actual £000
Business Rates Yield		
Base Yield	31,247	31,710
Provision for backdated appeals		(1,121)
Adjustment for provision for bad debt		76
Transitional protection payment		(124)
Business Rates Yield	31,247	30,541
Distribution		
Central Government (0.50)	(15,624)	(15,624)
Hampshire County Council (0.09)	(2,812)	(2,812)
Hampshire Fire (0.01)	(312)	(312)
Havant Borough Council baseline (0.4)	(12,499)	(12,499)
Total Distribution	(31,247)	(31,247)
Collection Fund Surplus/(Deficit)	-	(706)
Deficit Share Calculation		
	Budget £000	Actual £000
Central Government (0.50)	-	(353)
Hampshire County Council (0.09)	-	(64)
Hampshire Fire (0.01)	-	(7)
Havant Borough Council baseline (0.4)	-	(282)
Total	-	(706)
Havant Borough Council		
Retained Business Rates Calculation		
	Budget £000	Actual £000
Havant Borough Council baseline	(12,499)	(12,499)
Tariff paid to Central Government	9,396	9,396
Levy for safety net paid to Central Government	107	173
Extension of Small Business Rates Relief	-	(310)
Retained Business Rates	(2,996)	(3,310)

NON EXEMPT

- 4.1.2 Changes in funding received including £315,000 in Section 31 Grant for Business Rates, £163,000 in General Government Grants offset by a technical adjustment on the Council Tax calculation of £69,000, £93,000 in grants to support businesses and households following the winter floods. To improve the transparency of the Council's finances the number of reserves and transactions to and from them is being reduced, this led to the increase of £293,000 for the General Fund.
- 4.1.3 Unexpected decisions made by Government in the wind up of old schemes, including £204,000 not claw backed from the 2012/13 Council Tax Benefit Scheme and £90,000 discretionary relief for Business Rates.
- 4.1.4 A number of large building repairs projects slipped during the winter because of the sudden death of our Buildings Maintenance Team Leader in October 2013 and the retirement of the maintenance assistant. None of the delays have meant plant or system failures which would have led to additional costs being incurred. The total underspend was £223,000, the cabinet agreed to roll forward £218,000 to cover the costs of those projects now being completed in the new financial year in February 2014
- 4.1.5 Deferment of the local development framework to 2014/15 reduced costs by £100,000, the Cabinet agreed to roll forward £85,000 to the new financial year in February.
- 4.1.6 Other net movements were £49,000. Included in the reduced expenditure is an underspend against employee budgets of £193,000 (1.5% below). Turnover means that this creates some flexibility in the budget that the Head of Paid Service can use to cover workload pressures, sickness absence in key posts and new initiatives introduced by Cabinet during the year. This year the Head of Paid Service used this flexibility to provide cover for long term illness in Finance, to carry out targeted recruitment campaign in finance after traditional approaches failed and to supplement the corporate training programme in its work with senior management team.
- 4.1.7 The Council's income from fees and charges finished the year £710,000 above budget (1.6% higher). These budgets are difficult to predict because they arise from customer behaviour that may not be repeated one year to the next. Increases normally occur with an upturn in the local economy so this over-performance is an encouraging sign. The main areas performing above budget include Planning Applications and Local Land Charges £186,000, Legal Fees £31,000, Coastal Partnership Income £120,000, collection of overpaid Housing Benefit £100,000, ICT Contract with Capita £36,000, with other income increasing by £115,000.

NON EXEMPT

- 4.2 The outturn revenue position at the year-end contains differences to the quarter 3 forecast. Some of these changes are favourable and others unfavourable to the Council's overall financial position.
- 4.2.1 Income from planning applications and local land charges continued to grow with an additional £100,000 being received.
 - 4.2.2 The Coastal Partnership attracted an additional £120,000.
 - 4.2.3 The collection rate for overpaid benefits was higher than estimated and netted an additional £100,000
 - 4.2.4 Other income streams also added £182,000, including legal services and Capita share of IT.
 - 4.2.5 In March Central Government decided that they would not claw back the adjustment for the last year of the old Council Tax Benefit scheme, which reduced our costs by £204,000.
 - 4.2.6 The Government paid £93,000 to the Council to fund the payment of grants to businesses and households affected by the flooding.
 - 4.2.7 To improve the transparency of the Council's finances the number of reserves and transactions to and from them is being reduced, this led to the further increase of £147,000 to the General Fund.
 - 4.2.8 The Council budget calculation for Council tax included some elements which would properly be accounted for under Revenue Support Grant which reduced the figure by £69,000, this was more than offset by the additional grants paid for new burdens funding and other small grants of £163,000.
 - 4.2.9 Other minor movements which decrease costs of £154,000.

5.0 Implications

- 5.1 **Risks:** The provisional outturn represents an initial outturn position. The production of the annual Accounts will not be complete until the end of June, and will subsequently be subject to Audit. The provisional outturn is therefore subject to change. Any significant changes will be reported back to the Executive Head (Governance & Logistics). The key risks are as follows.
- 5.1.1 The Outturn for Revenues & Benefits includes an estimate of the benefits subsidy paid by Central Government in 2012/13. This is a provisional figure at this stage and is still subject to audit verification and therefore, the subsidy estimate may change.
 - 5.1.2 The Retained Business Rates contains estimates for bad debt and appeals, both of these are subject to audit verification and any change will have an impact on both the 2013/14 and 2014/15.

NON EXEMPT

- 5.1.3 A group of Property Search Companies are seeking to claim refunds of fees paid to the Council to access land charges data. Proceedings have not yet been issued. The Council has been informed that the value of those claims at present is £137,762 plus interest and costs for which provision has been made. The claimants have also intimated that they may bring a claim against all English and Welsh local authorities for alleged anti-competitive behaviour. It is not clear what the value of any such claim would be as against the Council. It is possible that additional claimants may come forward to submit claims for refunds, but none have been intimated at present.
- 5.4.4 Municipal Mutual Insurance (MMI) provided insurance to a number of local authorities, including HBC. During 1992, MMI suffered substantial losses, and ceased renewals and underwriting new business. However, the company was still potentially liable for liabilities. Given this liability, a contingent Scheme of Arrangement was entered into in January 1994. Obligations that cannot be met from the remainder of MMI's assets will be apportioned between MMI's 729 member authorities.

Since 1994, there has been no certainty regarding potential liabilities, and thus no action has been taken to conclude MMI's affairs. Since 2008 MMI has been subject to court action, known as 'Employers' Liability Policy Trigger Litigation'. On 28th March 2012 a Supreme Court judgement gave certainty that MMI will fully incur the liabilities relating to Mesothelioma. This ruling substantially increases the likelihood that the Council will incur some of this liability. The latest estimate of HBC's share of the liability continues to be £153,900 which was fully provided in 2011/12.

Appendices:

Appendix A – Summary to outturn analysed by type of expenditure and by Cluster

Appendix B – Main Variances between Budget to Actual Spend

Appendix C – Reconciliation of Forecast at Quarter 3 and Actual Spend

Agreed and signed off by:

Executive Head of Governance & Logistics: 9 June 2014

Relevant Executive Head: 9 June 2014

Cabinet Lead: 11 June 2014

Contact Officer: Simon Little

Job Title: Service Manager (Finance)

Telephone: 443324

E-Mail: simon.little@havant.gov.uk

Summary of Outturn Analysed by Type and Cluster

	2013-14 Original Budget	2013-14 Provisional Outturn	Forecast Deficit/ (Surplus)
	£000's	£000's	£000's
SERVICE RUNNING EXPENSES			
Employees	13,056	12,863	(193)
Other Running Expenses	43,024	43,000	(24)
Adjustment for Council Tax Benefit Scheme	-	(204)	(204)
Large Building Repairs	396	173	(223)
Capital Charges	2,344	2,278	(66)
LESS Income	(43,112)	(43,822)	(710)
Less Non General Fund Expenditure	(40)	(43)	(3)
TOTAL SERVICE RUNNING EXPENSES	15,668	14,245	(1,423)
FINANCING ITEMS			
<i>Treasury Income and Expenditure</i>			
Net cost of borrowing	112	118	6
Past Service Pension Costs	518	518	-
<i>Transparency Agenda</i>			
Adjustment to reduce movements between reserves	414	121	(293)
<i>Adjustments to meet statutory Requirements</i>			
Capital Financing Adjustment	-	(3)	(3)
Accumulated Absences	-	18	18
- Collection Fund Surplus (Council Tax)	-	74	74
Repayment of Borrowing	774	818	44
Reversal of Capital Charges	(2,344)	(2,278)	66
TOTAL FINANCING	(526)	(614)	(88)
Langstone Harbour Board	71	35	(36)
NET EXPENDITURE	15,213	13,666	(1,547)
Funded by:-			
Revenue Support Grant	(4,189)	(4,396)	(207)
Council Tax	(7,493)	(7,217)	276
Retained Business Rates	(2,996)	(2,930)	66
Retained Business Rates S31 Grant	-	(380)	(380)
<i>General Government Grants</i>			
New Burdens Grants	-	(125)	(125)
Flooding Support Grants	-	(93)	(93)
Electoral Registration Funding	-	(13)	(13)
Council Tax Freeze Grant	(83)	(83)	-
New Homes Bonus	(452)	(452)	-
New Homes Bonus Adjustment Grant	-	(25)	(25)
TOTAL FUNDING	(15,213)	(15,714)	(501)
DEFICIT/(SURPLUS)	-	(2,048)	(2,048)

Summary of Outturn Analysed by Type and Cluster

Summary By Management Structure

	2013-14 Original Budget	2013-14 Provisional Outturn	Forecast Deficit/ (Surplus)
	£000's	£000's	£000's
Chief Executive and Directors	234	226	(8)
Economy and Communities	1,313	1,178	(135)
Environment and Neighbourhood Quality	2,997	2,891	(106)
Governance and Logistics	7,489	6,863	(626)
Marketing and Development	2,522	2,459	(63)
Planning and Built Environment	1,113	628	(485)
Financing Items	(526)	(614)	(88)
Langstone Harbour Board	71	35	(36)
Net Expenditure	15,213	13,666	(1,547)
Funded By	(51,213)	(15,714)	(501)
Deficit/(Surplus)	-	(2,048)	(2,048)

Main Variances Between Budget and Actual Spend

	Deficit/ (Surplus)	Deficit/ (Surplus)
	£000's	£000's
Additional Income		
Planning Applications and Local Land Charges	(186)	
Coastal Partnership Income	(120)	
Housing Benefit Overpayment Collection	(100)	
Legal Fees	(31)	
ICT Capita Contract	(36)	
Other	(115)	(588)
Reduced Expenditure		
Major Buildings Repairs	(223)	
Local Development Framework	(100)	
Other Minor Variances Across Clusters	(49)	(372)
Adjustments Due to Changes in Government Schemes		
Council Tax Benefit Claw back 2013/14	(204)	
Discretionary Rate Relief	(90)	(294)
Additional Funding		
General Government Grants	(163)	
Council Tax	69	
Business Rates	(314)	
Adjustment for the reduction in the use of transfers between reserves	(293)	
Flooding Grants	(93)	(794)
Deficit/(Surplus)		(2,048)

Reconciliation of Variances Between Quarter 3 Forecast and Provisional Outturn

	Quarter 3 Forecast Deficit/ (Surplus)	Outturn Deficit/ (Surplus)	Variance
	£000's	£000's	£000's
Additional Income			
Planning Applications and Local Land Charges	(86)	(186)	(100)
Coastal Partnership Income	-	(120)	(120)
Housing Benefit Overpayment Collection	-	(100)	(100)
Legal Fees	-	(31)	(31)
ICT Capita Contract	(36)	(36)	-
Other	-	(115)	(115)
Reduced Expenditure			
Major Buildings Repairs	(217)	(223)	(6)
Local Development Framework	(100)	(100)	-
Other Minor Variances Across Clusters	100	(49)	(149)
Adjustments Due to Changes in Government Schemes			
Council Tax Benefit Claw back 2012/13	-	(204)	(204)
Discretionary Rate Relief	(90)	(90)	-
Additional Funding			
General Government Grants	-	(163)	(163)
Council Tax	-	69	69
Business Rates	(315)	(314)	1
Adjustment for the reduction in the use of transfers between reserves	(146)	(293)	(147)
Flooding Grants	-	(93)	(93)
Deficit/(Surplus)	(890)	(2,048)	(1,158)

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NON EXEMPT

HAVANT BOROUGH COUNCIL

CABINET

25 June 2014

NEIGHBOURHOOD PLANNING IN EMSWORTH

Report of: Senior Planning Policy Officer

For Decision: Yes

Portfolio: Planning & Built Environment

1.0 Purpose of Report

- 1.1 To present the twin applications for Emsworth to be designated as a 'neighbourhood area' and for the Emsworth Forum to be designated as the 'neighbourhood forum' for the purposes of neighbourhood planning in Emsworth.

2.0 Recommendation

- 2.1 To recommend to Council the designation by Havant Borough Council of Emsworth as a neighbourhood area and the Emsworth Forum as the neighbourhood forum for the purposes of neighbourhood planning in Emsworth.

3.0 Summary

- 3.1 Neighbourhood planning is a new way for communities to decide the future of the places where they live and work. The government introduced neighbourhood planning through the Localism Act 2011. When finalised a neighbourhood plan will be used by the council alongside its own planning documents to make decisions on planning applications in a particular area. Whilst a neighbourhood plan cannot reduce the amount of development already identified for the neighbourhood, it can increase development levels and influence where the development will go and what it will look like.
- 3.2 Under the Town and Country Planning Act (1990) as amended the council has a statutory duty to assist communities in the preparation of neighbourhood plans and orders and to take plans through a process of examination and referendum. The Localism Act 2011 identifies the designation of forums and areas as responsibilities of the local planning authority.
- 3.3 The National Planning Policy Framework (NPPF) states that neighbourhood planning gives communities direct power to develop a shared vision for their neighbourhood and deliver the sustainable development they need. It goes on to say that it provides a powerful set of tools for local people to ensure that they get the right type of development for their community.
- 3.4 The Neighbourhood Planning (General) Regulations 2012 set out the rules for all stages of neighbourhood planning. The current stages under consideration are Part 2 on the designation of a neighbourhood area and Part 3 on the designation of a neighbourhood forum.

NON EXEMPT

4.0 Subject of Report

- 4.1 The Town and Country Planning Act 1990 (as amended) sets out the criteria for determining the application for the designation of a neighbourhood area. These include ensuring that there is no overlap between adjoining neighbourhood planning areas and whether the area should be designated as a business area. The proposed area includes the whole electoral ward of Emsworth and does not overlap with any other neighbourhood planning areas.
- 4.2 The 1990 Act also sets out the criteria for determining the application for the designation of a neighbourhood forum. These include ensuring that the forum has taken reasonable steps to secure membership from people living in the area, people working in the area and county council and borough councillors. The purpose of the forum should also reflect the character of the area. Only one organisation can be designated as the forum for a neighbourhood area.
- 4.3 The council held a public consultation between 24th February and 7th April 2014 on the twin applications for designation. A total of 83 individuals and organisations supported the designation of the forum and 22 supported the designation of the area. The reason for the difference in response rates is that most people simply sent in emails saying that they supported the Emsworth Forum. There were no representations objecting to the designations. There was one neutral comment from the Langstone Residents' Association that it was not directly involved or affected by the designations.
- 4.4 The applications by the Emsworth Forum meet all the criteria set in the 1990 Act and all the representations submitted as part of the consultation support the designations. It is therefore recommended that the council designates Emsworth as a neighbourhood area and the Emsworth Forum as the neighbourhood forum for Emsworth.
- 4.5 These designations will mark the start of neighbourhood planning in Havant Borough, which forms an important part of Localism. It is a form of community empowerment and will lead to a greater engagement in the planning process in Emsworth. There are already approximately 270 members of the Emsworth Forum and their Annual General Meeting (AGM) which took place on 31st May 2014.
- 4.6 The Emsworth Forum will decide on the content of the Emsworth Neighbourhood Plan. The plan will, however, need to be consistent with the strategic policies in the adopted Havant Borough Local Plan. Following the examination in public it is hoped that the Allocations Plan, which forms the second half of the local plan, will be found sound and adopted later this year. However, an early review of the whole local plan is likely following the future publication of the Partnership for Urban South Hampshire (PUSH) Spatial Strategy in 2015-16. The preparation of the Emsworth Neighbourhood Plan and a possible Havant Borough Local Plan Review may take place at approximately the same time.
- 4.7 On adoption of the Emsworth Neighbourhood Plan 25% of Community Infrastructure Levy (CIL) collected in the area will be set aside as the Neighbourhood Portion for spending on local infrastructure.
- 4.8 After designation the forum will start work on preparing the Emsworth Neighbourhood Plan. The forum will in due course consult on a draft version of the plan, which will then be assessed by the council. If the plan meets the requirements of the 1990 Act it will be submitted for examination and then depending on the recommendations of the Inspector it will be submitted to referendum. The forum is aiming for a referendum to be held in May 2016. Adoption of the plan would follow on from a vote in favour (50% plus 1).

5.0 Implications

NON EXEMPT

- 5.1 **Resources:** There are no financial or staffing implications arising from these designations. However, there will be financial and staffing implications for the Planning Policy Team as the neighbourhood plan process proceeds through its various stages of preparation, examination and referendum. The role of the council in neighbourhood planning is essentially as a facilitator. Government funding is available to support local planning authorities in their neighbourhood planning role. A total of £30,000 is payable towards a neighbourhood plan with £5,000 paid on designation, £5,000 on publication of the plan and £20,000 on completion/adoption. Separate government support of up to £7,000 will be available for the forum on designation. On adoption of the Emsworth Neighbourhood Plan 25% of Community Infrastructure Levy (CIL) collected in the area will be set aside as the Neighbourhood Portion for spending on local infrastructure.
- 5.2 **Legal:** The designations comply with the requirements set in the Town and Country Planning Act 1990 (as amended) and the Neighbourhood Planning (General) Regulations 2012.
- 5.3 **Strategy:** The introduction of neighbourhood planning through the designation of the area and the forum is in line with the corporate priorities of providing public service excellence and economic growth.
- 5.4 **Risks:** There is the risk that if the area and forum are not designated that the council will not be complying with the Town and Country Planning Act 1990 (as amended) and the Localism Act 2011. There is a risk element to the timeframe over which the neighbourhood plan is prepared. Neighbourhood plans need to be consistent with the adopted strategic policies of the local plan, and it is likely that a review will be needed of the Havant Borough Local Plan in order to address objectively assessed needs in line with government policy. There is also a risk in terms of managing expectations with regard to neighbourhood planning. Although the 1990 Act requires local planning authorities to assist communities in the preparation of neighbourhood plans the level of this assistance is a matter for the council to consider in the light of competing priorities and limited resources.
- 5.5 **Communications:** The designations have been subject to a six week public consultation.
- 5.6 **For the Community:** The community of Emsworth will benefit from the designations by being able to engage more actively in the local planning process.
- 5.7 An Integrated Impact Assessment (IIA) has been completed and concluded the following: There are no negative impacts of the designations.
- 6.0 **Consultation:** The designations have been subject to a six week public consultation.

Appendices:

Appendix 1: Map of Emsworth Neighbourhood Area

Background Papers: none

Agreed and signed off by:

Legal Services: 30-05-14

Executive Head of Governance & Logistics: 30-05-14

Relevant Executive Head: 30-05-14

Portfolio Holder: 04-06-14

NON EXEMPT

HAVANT BOROUGH COUNCIL

CABINET

25 June 2014

COMMUNITY INFRASTRUCTURE LEVY: FUNDING DECISION PROTOCOL

Report of Shared Service Manager (Planning Policy)

FOR DECISION

Portfolio: Planning & Built Environment

Key Decision: Yes

1.0 Purpose of Report

- 1.1 To set out the process by which income derived from the Community Infrastructure Levy (CIL) can be distributed, including criteria to guide the prioritisation of spending and aid the assessment of requests for CIL funding, to ensure that CIL and remaining S106 funds are used effectively and for the benefit of the community.

2.0 Recommendation

- 2.1 That the Regulation 123 List be reviewed alongside the process of prioritising the distribution of CIL funding
- 2.2 That the key principles of the Funding Decision Protocol, as set out in paragraph 4.43 of this report, are agreed.
- 2.3 All of the CIL collected will be used to support infrastructure for the communities within the Borough. Of this:
- i. Up to 5% of CIL receipts will be used within the Planning budget to provide a dedicated resource for the annual monitoring and management required by the CIL regulations; and
 - ii. The remainder of CIL receipts (95%) will be allocated by the Council on behalf of the community for investment in infrastructure for the Borough, in accordance with the Community Infrastructure Levy Funding Decision Protocol (attached at Appendix 1).

3.0 Summary

- 3.1 The Council on 24 July 2013 adopted the Cabinet recommendation (26 June 2013) that CIL money collected from 1 August 2013 to April 2014

NON EXEMPT

should not be spent until the Council has agreed the spending priorities, spending proportions and the appropriate decision making body for spending. Further consideration is therefore needed to determine how CIL funds should be used and this report sets out the basis for doing so.

- 3.2 Whilst funds collected towards transport and education under S106 were previously passed to Hampshire County Council (HCC) to deliver the infrastructure, there is no obligation for the Borough Council to provide funds to HCC from the CIL. Therefore the Council needs to better define its working relationship with Hampshire County Council especially in the delivery of infrastructure that is the responsibility of the County Council as the highway and education authority.
- 3.3 The Infrastructure Delivery Plan and the Regulation 123 List provide a starting point for the consideration and prioritisation of projects using the methodology set out in the Protocol. The Protocol sets out an annual timetable that is aligned to the Council's Capital Programme process and allows for consultation with infrastructure and service providers as well as the community.
- 3.4 The Protocol aims to make the process of allocating CIL funds more transparent. At this inception stage it is intended that decision making be divided into two distinct phases:
 - i. to agree the Protocol, including the basis for the general distribution of CIL funds – the subject of this report, and
 - ii. to consider and agree how the funds collected will be allocated to specific projects and items of infrastructure over the coming months.
- 3.5 A robust monitoring and reporting mechanism is needed to ensure that the legal requirement for the Council to report on the amount of funds collected through the CIL, and how they are being used, can be met.

4.0 CIL Funding Decision Protocol

Introduction and Background

- 4.1 Following the decision by the Council on 20 February 2013 to adopt the CIL, the Charging Schedule came into effect on 1 August 2013.
- 4.2 The Borough Council is responsible for making the final decisions on the allocation of funding raised through the CIL. While it will take several years to build up significant CIL funds, requests and suggestions are already being made by councillors, service and infrastructure providers regarding how the funds could be used.
- 4.3 Prior to the introduction of the CIL, planning obligations¹ were used to obtain developers' contributions towards infrastructure including public open space, transport schemes and education facilities. Funds collected

¹ under S106 of the Town and Country Planning Act 1990 as amended

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towards transport and education were passed to Hampshire County Council, as the highway and education authority, to deliver the infrastructure. Amounts collected towards public open space are being used by the borough council to refurbish council equipped play areas and towards projects such as the cost of an artificial turf pitch at Park Community School. Funds are also being allocated through the Council's 2014/15 to 2016/17 Capital Programme towards new allotment sites and to provide a new cemetery within the new development to the west of Waterlooville.

- 4.4 The Council's Corporate Strategy 2012 – 2017 includes within its key priorities and activities, "Work with communities, Hampshire County Council and other partners to plan for the provision of appropriate community infrastructure through developers' contributions/ Community Infrastructure Levy."

What CIL Funds Can Be Spent On

- 4.5 It is important to recognise that CIL contributions are intended to fill funding gaps and are not expected to provide the costs associated with delivering and maintaining infrastructure.
- 4.6 The borough council must use the CIL funds for "the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area"². Whilst CIL should not be used to pay for what might be considered "historical deficits" of infrastructure provision, the regulations do allow for improvements to increase the capacity of existing infrastructure.
- 4.7 "Infrastructure" includes roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces³. This also means that the levy can be used to fund Suitable Alternative Natural Greenspace, provided in mitigation of the effects of development on the Solent Special Protection Areas.
- 4.8 The neighbourhood portion of CIL is not however subject to the same spending restrictions and limitations. The amended CIL Regulations⁴ expanded the definition of how CIL may be used to support the development of the relevant area in relation to the neighbourhood portion, which can also be applied to "anything else that is concerned with addressing the demands that development places on an area". Therefore, there is greater freedom for the Council when deciding how to allocate the "neighbourhood funding" percentage of CIL that the Council may spend on behalf of the communities.

² Regulation 59, The Community Infrastructure Levy Regulations 2010, as amended.

³ S216, Planning Act 2008, as amended by regulation 63.

⁴ Regulation 59F, The Community Infrastructure Levy Regulations 2010, as amended

NON EXEMPT

Regulation 123 List

- 4.9 In addition to the Charging Schedule the Council approved, on 24 July 2013, the CIL Regulation 123⁵ (R123) List. The purpose of the R123 List is to set out those types of infrastructure for which the council will not seek a Section 106 planning obligation or require a Section 278 highway agreement. These agreements can still be used to make the development acceptable in planning terms but their use is scaled back by the introduction of the CIL. Although the list may indicate the types of infrastructure that may be partly or wholly funded through CIL the list is not exclusive; it is required in order to avoid a developer being “double charged”.
- 4.10 The inclusion of projects in the list does not, therefore, signify a commitment by the Council to fund all the projects listed, or the entirety of any one project through CIL. Nor does the list imply any order of preference for spending. It does, however provide a starting point for considering which projects CIL funds should be directed towards.
- 4.11 In the report to Cabinet on 26 June 2013 it was noted that the R123 List can be updated on a regular basis and that an annual review would be put for Council consideration alongside the monitoring report on spending. The preparation of the Protocol also provides an opportunity to review the list. The list can be reviewed without reviewing the charging schedule, subject to appropriate consultation, provided that the changes do not have a very significant impact on the viability evidence that supported the charging schedule.

Infrastructure Delivery Plan

- 4.12 When preparing the draft Charging Schedule the Council must identify the total cost of the infrastructure that will be required to support the development proposed in the Borough. It is necessary to consider all possible sources of funding, and identify the overall funding gap (between the costs and the available funding) to demonstrate the need for the levy.
- 4.13 This infrastructure evidence is based on the assessment that is undertaken to support the preparation of the Local Plan⁶. The Infrastructure Delivery Statement table is set out by infrastructure type and includes health, education, social and community, water supply, waste water, waste management, telecommunications, sea defences and flood alleviation, green infrastructure and transport. This can provide a starting point for considering all the potential calls on the CIL funds but it should be noted that it represents an overall list of the infrastructure needs and costs identified by all the service providers and utility companies, regardless of other potential funding sources.

⁵ Community Infrastructure Levy Regulations 2010

⁶ Originally prepared to support the Core Strategy (adopted March 2011), the most recent published version is the Strategic Infrastructure Delivery Plan (October 2013), prepared in support of the Havant Borough Local Plan (Allocations) which needs to be read alongside the Strategic Transport Assessment (October 2013).

NON EXEMPT

- 4.14 It should also be noted that the list represents the understanding of requirements at the time it is prepared and will require regular updating with additional or alternative requirements as time passes and development progresses.

Relationship between CIL, S106 and S278

- 4.15 Infrastructure can be provided by developers in several ways: through the CIL, planning obligations⁷ or highway agreements⁸. The combined total costs of these (and any planning conditions) should not threaten the viability of the development. With CIL in place the use of planning obligations and highway agreements is limited, as noted under the section on the R123 list above.
- 4.16 Individual S106 agreements drawn up after the introduction of CIL will need to specify the projects and purposes any financial contributions will be directed towards. This is because the CIL regulations have ensured that planning obligations must be directly related to the development and prevent more than five contributions for the same infrastructure project or type of infrastructure (since April 2010), providing it is not on the R123 list.
- 4.17 Highway agreements are used to pay for the cost of highways works that are required as a result of the development, but cannot be required for works that are intended to be funded through the CIL, i.e. items that are on the R123 List. Revisions to the R123 List therefore needs to be carefully worded so that it does not inadvertently rule out the use of S278 agreements where there would be merit in retaining the ability for developers to contribute towards specific local highway works. Revisions to the R123 List concerning highway works should therefore be discussed and agreed with Hampshire County Council in advance.
- 4.18 Where pooled S106 contributions are insufficient to provide the specific infrastructure item for which funds were being collected prior to the introduction of CIL, a bid for CIL funding could be made with the amounts collected and outstanding being indicated in the spending programme.

Estimated CIL Income

- 4.19 By the end of 2013-14, a total of 27 Liability Notices to the value of £659,715 had been issued over the period since charging commenced. The Liability Notice sets out how much CIL is payable and details the payment procedure. Once development commences a Demand Notice is issued for payment, with the date(s) when payment is due in accordance with the Council's instalment policy⁹. By the end of 2013-14, 6 Demand Notices had been issued to the value of £128,818 of which £81,680 had been collected.
- 4.20 As most of the receipts from the CIL are expected to arise from housing development, crude estimates of CIL income can be derived from housing

⁷ under section 106 of the Town and Country Planning Act 1990

⁸ under section 278 of the Highways Act 1980

⁹ The Council's Instalments Policy allows persons liable to pay the levy to make staged payments at specified periods from 60 to 540 days

NON EXEMPT

projections prepared for the Local Plan housing trajectory. As much of the development expected to take place during 2014-15 will be based on planning consents granted prior to the introduction of the CIL there will be a time lag before CIL income can be realised in full. Based on projected housing developments, compared with amount collected during the first 6 weeks of 2014-15, suggests in the region of £637,800 could become available to spend during 2015-16. Looking further ahead this could rise to as much as £2,000,000 as projected housing development peaks in the next year or so.

Existing S106 Funds

- 4.21 The CIL funds outlined above will be in addition to S106 funds held by the Borough Council and by Hampshire County Council (for education and transport) secured prior to the introduction of CIL. Further S106 contributions will be due for some time to come from developments that were permitted prior to the introduction of CIL where development has yet to start. It may therefore take a number of years before all the historic pooled S106 contributions secured prior to the introduction of CIL have been collected and spent. For example over the last 5 years a total of £10,483,600 has been negotiated within the borough for transport, of which £2,268,980 has been collected; for education, a total of £907,100 was negotiated and collected.

Administrative Expenses

- 4.22 The amount of officer time associated with administering the CIL should not be underestimated and will require additional staff resources. Up to 5% of the total levy receipts can be used towards the administrative costs incurred in establishing and running the charging scheme. These administrative functions include preparing evidence on viability to support a review of the charging schedule, examination of the charging schedule, establishing and running the billing and payment systems, monitoring and reporting, including information technology systems, enforcing the levy and legal costs associated with payment in kind.
- 4.23 Without this additional support it will not be possible to maximise the amount of levy due. The regulations specify the stages in the collection process which involves the issuing of a complex series of notices. Other tasks include chasing non-payment. The monitoring of receipts and expected payments will be essential to knowing the amount that can be allocated through the spending protocol in the coming year. *With the increase in the amount of development that will be liable for the CIL, officers consider it is appropriate to utilise up to 5% of the CIL receipts for administrative and monitoring expenses in accordance with the regulations, this will require additional staff resource in the planning department to supplement the current part time (shared) post.*

Local Funding and the Neighbourhood Portion

- 4.24 Where there are Parish Councils, there is a duty to pass 15% (or 25% if a neighbourhood plan or neighbourhood development order has been made) of the receipts received for development that is taking place in the

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parish council's area. Where there are no parishes, Government guidance states that communities can still benefit from the neighbourhood portion. The CIL regulations state that the local authority may use those receipts that would have been passed to a parish council to support the development of the relevant area¹⁰. Therefore whilst the decision lies with the Borough Council, who will retain the levy receipts and spends them on behalf of the community, this is intended to recompense communities receiving new development in their area.

- 4.25 The government guidance advises that the council should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood portion. The Government does not prescribe a specific process for agreeing how the neighbourhood portion should be spent but suggests that existing community consultation and engagement processes should be used. There are, therefore, options for councillors to consider and decide on how the neighbourhood portion should be spent, informed by consultation with the community.
- 4.26 Existing community consultation and engagement processes, such as those set out in the Statement of Community Involvement¹¹ (SCI), could be used to consult with the communities affected by development as to how the neighbourhood portion should be spent. The SCI sets out a range of community involvement methods including: "Serving You", the Council's magazine delivered to every household, the Council's website, exhibitions/displays, and community workshops.
- 4.27 The Borough Council's "Approved By You" grants scheme, administered by the Council's Community Team, uses the network of community groups to allocate the grants. Events are held where community groups can put forward proposals for using grant funding and the public can express their support.
- 4.28 Whatever consultation method is used, the consultation should be proportionate to the level of levy receipts and the scale of the proposed development in the neighbourhood.
- 4.29 The Core Strategy divides the Borough into five spatial distribution locations or local plan areas and sets out the amount of development proposed within each. The five areas, based on wards, are; Emsworth, Havant, Hayling Island, Leigh Park and Waterlooville. Officers consider these areas are the most appropriate to use for considering the spending of the neighbourhood portion. Monitoring the issue of liability to pay notices and the collection of CIL by local plan area will enable calculation of the value of the neighbourhood portion in each local plan area.
- 4.30 There are no neighbourhood plans adopted within the Borough although a community group representing the ward of Emsworth has applied to the Council to be designated a Neighbourhood Forum to prepare one for Emsworth. A decision is expected to be made by the Council at its

¹⁰ The "relevant area" is that part of the charging authority's area that is not within the area of a parish council

¹¹ Adopted by the Council in December 2013

NON EXEMPT

meeting in July 2014. If the a Neighbourhood Plan is adopted for the area, the neighbourhood portion would rise to 25%.

Allocating the Remainder

- 4.31 There are choices to be made regarding how the remainder, excluding the 5% administration costs and the 15-25% neighbourhood portion, will be spent. Whilst it may be expected that a significant proportion of available CIL funds will be allocated to a shortlist of high priority projects, the split between strategic schemes that may benefit a wider area of the borough and projects that are very local facilities to be used by a smaller group of residents may vary from year. There are a range of examples from other local authorities regarding the broad level allocated to different types of infrastructure, as opposed to specific infrastructure projects.
- 4.32 Elsewhere within Hampshire, Winchester City Council (WCC) has agreed that 25% of the net remainder (after subtracting 5% for administrative costs and 15% to the parish and town councils) annual receipts be passed to Hampshire County Council for infrastructure projects from the R123 list. It should be noted that WCC's R123 list is more detailed and lists specific transport schemes which may be funded by the CIL.
- 4.33 Discretion remains with the Borough Council regarding when and how much, if any, CIL funds are passed over to Hampshire County Council as a major provider of infrastructure. Based on advice from the District Councils' Network and County Councils Network and a study of practice adopted by councils elsewhere in the country, *the Protocol attached at Appendix 1 and recommended for adoption, sets out steps based on the submission of a completed bid for funding*. The bid should set out robust evidence of the cost and practicality of delivering the scheme or project, including an exploration of alternative sources of funding.
- 4.34 Once allocated, if passed directly to Hampshire County Council a commitment should be sought in the form of an indemnity agreement between the borough and county council to ensure that funds are spent in accordance with the terms of the R123 list. Alternatively funds could be retained by the borough council until works are carried out.
- 4.35 Some strategic projects may extend beyond the Havant borough boundary e.g. Bus Rapid Transit. The growth priorities of the Solent Local Enterprise Partnership (LEP) will also be important in determining the allocation of CIL funds. The Solent LEP has five strategic priorities, one of which is "Infrastructure Priorities". This focuses in particular on land assets, transport and housing, reducing flood risk and improving access to high speed broadband.

Alternative Sources of Funding

- 4.36 In order to decide priorities and whether CIL funds should be allocated to the highest priority projects it will be important to explore alternative sources of funding further. The Infrastructure Delivery Plan refers to existing and potential funding sources for each of the items of infrastructure listed. Further work needs to be undertaken to build on the

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estimates for project costs and ensure that all potential funding sources have been fully explored.

- 4.37 Some of the money to fund the Solent LEP's infrastructure priority projects will come from the Growing Places Fund, which has already attracted a significant amount of Government funding. This will establish a revolving capital infrastructure fund operated on a loan basis, subject to a bidding process. Whilst borrowing against future CIL income is not permitted, the levy can be used to repay expenditure on infrastructure that has already been incurred. Thus it may be possible to use CIL to pay back loans from the Growing Places Fund. However, the fourth bidding round, which closed in February 2014, is anticipated to be the final investment round in the initial allocation of the fund.
- 4.38 For transport, the Solent LEP is working with the Solent Local Transport Body (LTB) and Transport for South Hampshire and Isle of Wight, now renamed "Solent Transport", to access further Department for Transport (DfT) funding through the Local Growth Deal. The Solent LEP has submitted a plan for growth¹² to the Government which aims to unlock further funding for the Solent area in addition to that already allocated by the DfT via the Solent LTB. The plan includes in its justification, the need for a new access road to enable the high quality business and technology park at Dunsbury Hill Farm.
- 4.39 A further priority action is to establish a Solent transport resilience fund (through pooled Local Transport Authority funding and the Local Growth Deal). The Solent Transport Fund is described as, "A range of sustainable transport interventions and network enhancements to support future economic growth and to retain the existing productivity of the Solent LEP area through the provision of resilient, efficient, safe, accessible and well maintained transport networks." Potential interventions include town centre accessibility improvements by all modes and access to stations.
- 4.40 The Hampshire Local Transport Plan 2011-2031 (Reviewed April 2013) draws on four centrally funded local transport grants allocated by the DfT which are:
- block funding for highways maintenance (capital);
 - block funding for small transport improvement schemes (capital);
 - major schemes (capital); and
 - Local Sustainable Transport Fund (capital and revenue).
- 4.41 Other local authority funding includes the business rates retention scheme. This allows councils to keep a share of growth in business rates in their area and reduce their dependency on central government grant funding. Tax increment financing (TIF) works by allowing local authorities to borrow money for infrastructure projects against the anticipated increase in business rates income expected as a result of the said infrastructure project.

¹² Transforming Solent – Solent Strategic Economic Plan 2014-20 (Final Submission 31/03/2014)

NON EXEMPT

Funding Decision Protocol – key principles

4.42 Taking account of the foregoing information, some suggested key principles of the Funding Decision Protocol for consideration and agreement by the Cabinet and Council are:

- *Funds to be targeted so that they address identified infrastructure priorities and address the impacts of development.*
- *Decision making and the process leading to it to be transparent.*
- *The process will tie in with an annual reporting and review of CIL and the Regulation 123 List.*
- *Procedures and timetable should run on an annual basis and be aligned with the annual budget decision making process.*
- *A three year time horizon is set for spending programmes, aligned with the capital spending programme, but with an eye on the longer term.*
- *The allocation process, including the consultation stage, to be based on estimated CIL income together with any unallocated funds from the previous financial year.*
- *A significant proportion of available CIL funds will be ring fenced towards an agreed shortlist of high priority projects, with final decisions being made by Havant Borough Council.*
- *Opportunities for joint funding of schemes will be considered where these reflect shared priorities and attract additional sources of funding e.g. through such as Flood Defence Grant in Aid or grants via the Solent LEP.*
- *Decision making, including the use of the 15% neighbourhood proportion, will be made by the Council but be informed by liaison with service and infrastructure providers and the views of stakeholders and the community through consultation and engagement towards a consensus for funding priorities.*

Timetable and Next Steps

4.43 The Cabinet and Council has to date determined the use of the S106 funds already banked as part of the annual decision making on the Capital Programme which takes place during February. The timetable set out in the CIL Funding Decision Protocol leads into that decision making and the Protocol therefore needs to be in place by this summer to enable alignment with the Capital Programme. The timetable allows for briefing and discussion with the Cabinet Lead for Planning and Built Environment, the Joint Executive Board. All Member briefings and workshops are also programmed and stakeholder consultation prior to reports on the final draft spending programme to the Cabinet and Council.

NON EXEMPT

5.0 Implications

- 5.1 **Resources:** Until now there has been adequate staff resource within the Planning Policy Team to prepare and take the CIL Charging Schedule through the required steps to adoption and implementation. This report considers the need for and provides a recommendation on the employment of a full time officer to administer the collection, monitoring and distribution of CIL funds. This would cost £20,000 to £40,000 depending on the allocation of tasks and skills required but would be offset by saving of the expenditure on the current part time officer. There are ongoing resource implications for Development Management officers in advising on the CIL requirements when a planning application is received and for the Finance Team in the collection of funds and potentially if CIL is not paid at the correct time.
- 5.2 **Legal:** In developing procedures for the spending of CIL, regard has been given to ensuring that these measures comply with all relevant legislation including the CIL regulations and guidance..
- 5.3 **Strategy:** The CIL will help to deliver across all three priority themes set out in the Corporate Strategy in respect of financial stability, economic growth and public service excellence.
- 5.4 **Risks:** The CIL has replaced S106 planning obligations as the main source of developer contributions from August 2014 for the provision of infrastructure, with the exception of affordable housing. The risk of not adopting the protocol will be the lack of a clear and fair process for the distribution of funds towards the cost of priority infrastructure to support the development of the borough for the benefit of residents and businesses. Fully resourcing the administrative and monitoring processes will minimise the risk of due receipts not being collected.
- 5.5 **Communications:** Hampshire County Council other service and infrastructure providers have been informed that the process for considering the spending priorities for CIL has begun. The Protocol process includes continued liaison with these bodies and allows for consultation with local communities.
- 5.6 **For the Community:** The spending of the CIL on infrastructure within the borough will be of benefit to the local community.
- 5.7 **The Integrated Impact Assessment (IIA) has been completed and concluded the following: N/A**

6.0 Consultation

- 6.1 Discussions on the Protocol process and Infrastructure Delivery Plan update have been undertaken with Havant Borough Council officers and leading councillors. The Protocol process allows for consultation with Hampshire County Council, other service and infrastructure providers and local communities.

NON EXEMPT

Appendix 1: Community Infrastructure Levy Funding Decision Protocol

Background Papers:

Community Infrastructure Levy Regulations 2010 as amended

Community Infrastructure Levy (Amendment) Regulations 2013

Department for Communities and Local Government - Community Infrastructure Levy Guidance – February 2014

District Councils' Network and County Councils Network Community Infrastructure Advice Note (January 2012)

Research based on published reports to cabinets and councils, and CIL monitoring reports on other authorities' websites including the following – East Cambridgeshire, Elmbridge Borough Council, London Borough of Redbridge, Huntingdonshire, Portsmouth City Council, Winchester City Council, Wycombe District Council.

Agreed and signed off by:

Legal Services: (10 June 2014)

Executive Head of Governance & Logistics: (5 June 2014)

Executive Head – Planning & Built Environment: (2 June 2014)

Cabinet Lead - : Planning & Built Environment (11 June 2014)

Contact Officer: Linda Jewell
Job Title: Planning Consultant
Telephone: (023) 9244 6535
E-Mail: linda.jewell@havant.gov.uk

Community Infrastructure Levy (CIL) & Planning Obligations Funding Decision Protocol

Introduction

1. Havant Borough Council is responsible for making the final decisions on the allocation of funding raised through the Community Infrastructure Levy (CIL). This will be done through an annual process that includes consultation with stakeholders and aligns and concludes with the Council's annual capital spending programme. The aim is to identify and agree priorities for the use of CIL (and S106 planning obligations funds over a three year programme), and to agree the release of funds on an annual basis.

Summary of Process and Timetable

2. The process begins with the gathering of information to update the Infrastructure Delivery Plan and data to inform projections of the likely amount of CIL to be available for allocation to infrastructure projects.
3. Following initial informal discussion at officer level, service and infrastructure providers are invited to submit individual draft proposals, using the form at Appendix A, by the end of the summer. It is expected that Hampshire County Council will be the main bidder. Service and infrastructure providers will be informed of the likely level of funds available to encourage realistic bids.
4. Stakeholder events for ward councillors and local plan area community groups then follow, enabling wider consultation on potential projects for funding. The diagram at Appendix B illustrates the stakeholder groups and relationships. The five areas for considering the use of the neighbourhood portion (15% of the funds collected in each area) are; Emsworth, Havant & Bedhampton, Hayling Island, Leigh Park and Waterlooville.
5. Assessment of the draft proposals in the light of the Members initial views and consultation comments is then undertaken to decide which schemes are taken forward and prioritised. The short listed projects which meet the criteria and could be delivered with the projected funding available will form the overall draft Spending Programme for discussion with service heads and relevant Cabinet Leads. For transparency, the Programme would be accompanied by the full list showing those schemes not being recommended for funding. The draft spending programme is then subject to a limited (4 week) consultation with the County Council and other key stakeholders, including ward councillors, in the late autumn.
6. In the light of the available funds, based on the outcome of the further consultation, a final draft spending programme is prepared. This is presented to the Cabinet for decision and recommendation to the full Council in February alongside the Capital Spending Programme. The Cabinet and Council would be asked to agree the release of funding for the identified projects in year one, noting potential projects for funding in years two and three.

7. The Cabinet and Council will also be asked to confirm the Regulation 123 List, which may be amended if necessary subject to consultation alongside consultation on the draft spending programme.
8. The degree and type of consultation with Councillors, service and infrastructure providers and the community to be undertaken at each stage will be proportionate to the amount of funds that are likely to be available to spend.
9. The programming of remaining financial contributions received under S106 planning agreements and secured prior to the introduction of the CIL will be done alongside the CIL funds.
10. The table below summarises the process and sets out the timetable, including consultation.

Table 1: Summary of Process and Timetable

Date	Action
April	Request for information and informal consultation with Service and Infrastructure Providers to enable updating of Infrastructure Delivery Plan.
May	Collation of infrastructure information and updating of Infrastructure Delivery Plan.
June	Data assembly: from monitoring of planning consents, CIL and S106 receipts for previous financial year and future years projections.
July	Service and Infrastructure Providers invited to submit their programmes (for 3 year period, on annual basis).
August	Submission of bids from Service and Infrastructure Providers received by end of month.
September	Assessment of proposals and prepare overall draft Spending Programme.
October	All Member workshop to feedback on submissions - service and infrastructure providers invited to present their proposals to councillors at the workshop - and gather views and comments.
	Community Workshop(s) – invited representatives from community groups representing each of the five local plan areas of the borough to gather ideas for using the neighbourhood portion.
November	Cabinet Lead for Planning and Built Environment, Joint Executive Board, and Cabinet Briefing to consider draft Spending Programme for next financial year.
	Consultation with key stakeholders on draft Spending Programme.
December	Consider consultation comments, edit draft Spending Programme.
January	Prepare Cabinet report.
February	Cabinet and Council agree Spending Programme for following financial year.

Bidding for Funding

11. Bids for the funding of schemes and projects must be accompanied by robust evidence of the cost and practicality of delivering the scheme or project, including an exploration of alternative sources of funding, as follows.
12. Bids should include evidence of existing demands (including demands from permitted developments), additional demands likely to arise from the proposed development, the extent to which relevant existing infrastructure or services are capable, in terms of location, capacity and suitability, of meeting those additional demands and the estimated costs of providing new infrastructure or improving existing infrastructure to meet these additional demands. The bid should clearly set out the full costs of the scheme, and the time scales for implementation.
13. Bids are unlikely to be successful unless it can be reasonably demonstrated that there are no other funding mechanisms or streams available that could deliver the scheme being proposed. For example for transport or education matters, this will require transparency in looking at agreed capital programmes and a reasonable exploration and assessment by Hampshire County Council of other potential resource and funding sources.

Prioritisation of CIL funds

14. It will be important to ensure that additional infrastructure capacity is timed to coincide with the expected delivery of new development in a particular area. The spending of CIL will therefore need to be carefully planned and managed. Given that even on the most optimistic assumptions of the availability of other sources of funding there is still very likely to be a significant funding gap, priorities will need to be agreed between the various infrastructure providers, although it will be the Borough Council which will be responsible for making the final decisions in this regard.
15. The levy must be spent on infrastructure needed to support the development of the area, although there is more freedom regarding the use of the neighbourhood portion. It is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies unless they will be made more severe by new development. It is important to recognise that CIL receipts can only be spent on capital projects, although associated revenue spending to maintain those capital items is also permissible. It can be used to increase the capacity of existing infrastructure or to repair failing infrastructure if that is necessary to support development. Funds may be released for project development work in advance of funds for specific projects if necessary.
16. In addition to understanding the infrastructure needs to support the planned growth within the Borough, as well as the costs and funding requirements it will be important to understand the phasing of growth as well as the need for phased funding and delivery of infrastructure. The housing development trajectory will therefore be key evidence to assist with prioritisation. The trajectory will be updated annually in conjunction with the Monitoring Report so that the anticipated levels of growth can be fed into the CIL spending review process.

17. Once the likely level of available CIL is known stakeholders will be invited to put forward projects using the template. To be given consideration schemes should meet a number of criteria, as follows:

Table 2: Infrastructure Prioritisation Criteria

	Criteria	Yes / No
	Contribute to the delivery of the Council's Corporate Strategy Priorities	
	Deliver specific policies of the Havant Borough Local Plan, Parts 1 and 2: the Core Strategy and Allocation Plan	
	Contribute to the delivery of other approved Council strategies e.g. with regard to coast and flood defence, open space or community facilities	
	Be included in the Regulation 123 List	
	Be included in the Infrastructure Delivery Plan	
	Contribute towards the delivery of infrastructure by a provider (including the County Council) where it can be satisfactorily demonstrated that the infrastructure would not otherwise be delivered, i.e. that all other possible funding sources are insufficient	
	Lever in other funds that would not otherwise be available, e.g. needed to match or draw grant funding	
	Offer wider as well as local benefits	
	Address a specific impact of new development beyond that which has been secured through a S106 obligation or S278 agreement	
	Be deliverable in the year that their funding is being programmed i.e. justified by:	
	i. A project plan including a timetable and resources available to meet the timetable	
	ii. Consultation summary report to indicate stakeholder support; and	
	iii. Arrangements for ongoing maintenance.	

18. The Regulation 123 List refers to the types of infrastructure but is not specific regarding particular schemes or projects. Reference back to the Infrastructure Delivery Plan will therefore be necessary. Following the identification of specific infrastructure projects set out in the Regulation 123 List and Infrastructure Delivery Plan, infrastructure will be categorised to assist the process of prioritisation. This will distinguish which projects are critical to enabling development, and those that will mitigate the effects of the development compared to those that are important to deliver place making. The categories and their descriptions are set out below:

Table 3: Categories of Infrastructure Priority

	Category	Description
1	Critical	Infrastructure that must happen to enable growth, i.e. required to unlock any future works, and without it development cannot proceed. These infrastructure items may be referred to as “showstoppers” and are usually linked to triggers controlling the commencement of development activity, e.g. transport to access the site, major utilities infrastructure.
2	Essential	Infrastructure that is essential and considered necessary to support and/or to mitigate impact arising from the development. These are projects which are usually identified as required mitigation in Sustainability Appraisal, Habitats Regulations Assessment, Environmental Impact Assessment or Traffic Impact Assessment. The timing and phasing of these infrastructure projects e.g. school places, health requirements and public transport (service) projects, is less critical and their provision is usually linked to triggers related to the occupation of development sites.
3	Desirable	Infrastructure that is required to support wider strategic objectives, often aligned to placemaking, and to build sustainable communities, but would not necessarily prevent development from occurring. This type of infrastructure is more influenced by whether a person chooses to use this facility or service, e.g. community facilities, libraries and sports facilities. The timing of this infrastructure is not critical over the plan period and is usually linked to triggers controlling the completion of development sites.

Preparing the Draft Spending Programme

19. It should be noted that the process does not need to be applied to fully funded projects that are not yet started or completed.
20. Once the infrastructure projects identified in the Infrastructure Delivery Plan have been prioritised the next stage is to assign time frames to those projects based on their expected start and completion dates. The time frames would be set out as short term (within three years – by 2017), medium term (by 2022) or long term (post 2022) projects.
21. The Infrastructure Delivery Plan is helpful to some extent in identifying which projects are borough wide and which are specific to individual local planning areas, as defined by the Core Strategy Key Diagram. Some projects are cross boundary extending to other areas within South Hampshire e.g. Bus Rapid Transit and the Forest of Bere green infrastructure. It should be noted that there is no requirement to tie the expenditure of any particular CIL receipt to a particular location or development.
22. To guide decisions a table, or matrix, based on the updated Infrastructure Delivery Plan to which the above criteria and categories have been applied will be set out,

providing at a glance comparison of the projects. The progress column may also be used to note the status of projects, for example whether project plans or feasibility studies have been carried out.

23. The Infrastructure Delivery Plan is organised by infrastructure type but through the prioritisation process tables will be produced which re-order the items according to priority with additional columns to include known funding and outstanding cost.
24. A working group of officers with representatives from the planning policy, community and leisure, coastal partnership, transport and estates services within the Borough Council may be established to assist this process and review the full list of projects. This may also include officers from Hampshire County Council.

Prioritisation Process Chart

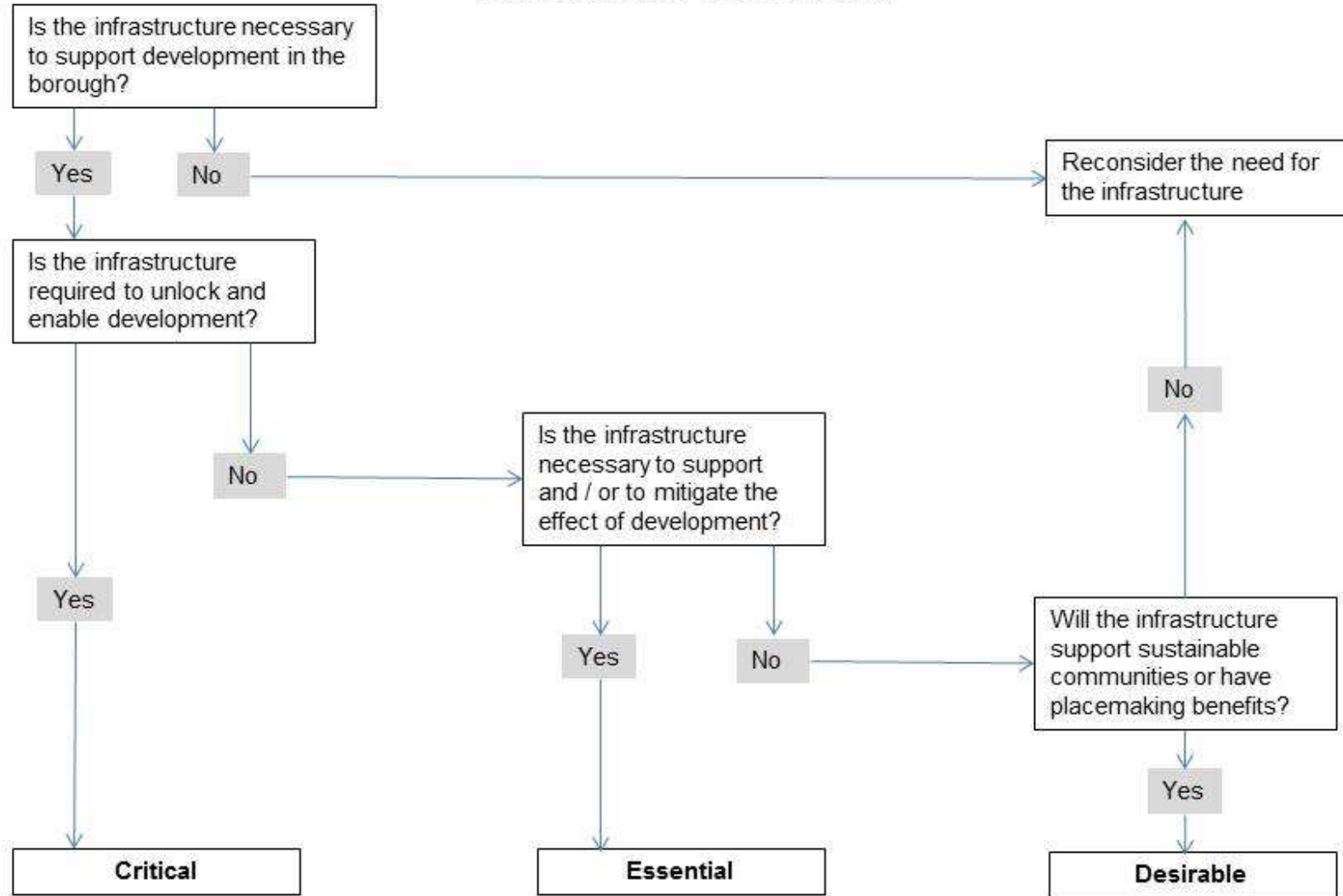


Table 3: Prioritised Infrastructure Projects Proforma

Prioritisation	Project Type	Local Plan Area	Project Name	Project Status	Known Funding	Outstanding Cost	Criteria Score (Table 2)
Short Term Projects							
Critical							
Essential							
Desirable							
Medium Term Projects							
Critical							
Essential							
Desirable							
Long Term Projects							
Critical							
Essential							
Desirable							

Payment of Funds

25. The Borough Council will ensure timely release of funds when invoices are received for satisfactorily completed works.

Monitoring

26. Details of charges, receipts and spends will be monitored and progress reported quarterly to the Joint Executive Board. The Council will set out in the Annual Monitoring Report the amount of CIL that has been received, spent (and on what) and remains in the fund in the reporting year.

Review of Protocol

27. The Protocol should be reviewed from time to time to ensure that it remains fit for purpose in the light of experience and changing circumstances.

Template for Programme Bid for CIL Funding

Please Note: When preparing your submission, please ensure that your proposal is in conformity with criteria set out in the Protocol and:

- Is supported by robust evidence;
- Includes evidence of existing and additional demands and the extent to which existing infrastructure can meet those demands;
- Includes estimated costs for the scheme and timing for delivery of the scheme;
- Includes a reasonable assessment of alternative funding mechanisms available.

Infrastructure Provider/Service/Body making the bid:

Project Lead Officer/Person and contact details:

Project Title:

Project Summary:
(no more than 150 words)

Who will the project be delivered by?

If your organisation/body is not the body with statutory responsibility for the works proposed have you sought agreement from the relevant statutory body?

What are the problems that are being solved or addressed?

What are the consequences of not carrying out the project?

Briefly describe how the scheme will help support the ongoing development of Havant Borough, taking account of where development has or is proposed to take place.

It may help to set out linkages to the Havant Borough Local Plan: Core Strategy and Allocation Plan.

What other funding sources have been identified/explored.

a. If CIL funding is not available what is the likelihood of funding from other sources within next 5/10 years?

b. Is the scheme likely to be directly linked to and necessary as a result of foreseeable development and therefore a separate S106 contribution may be justified?

Please provide an outline of the implementation timetable, including key milestones:

a. If scheme is to be undertaken in next financial year set out the outline Q1 – Q4 project plan;

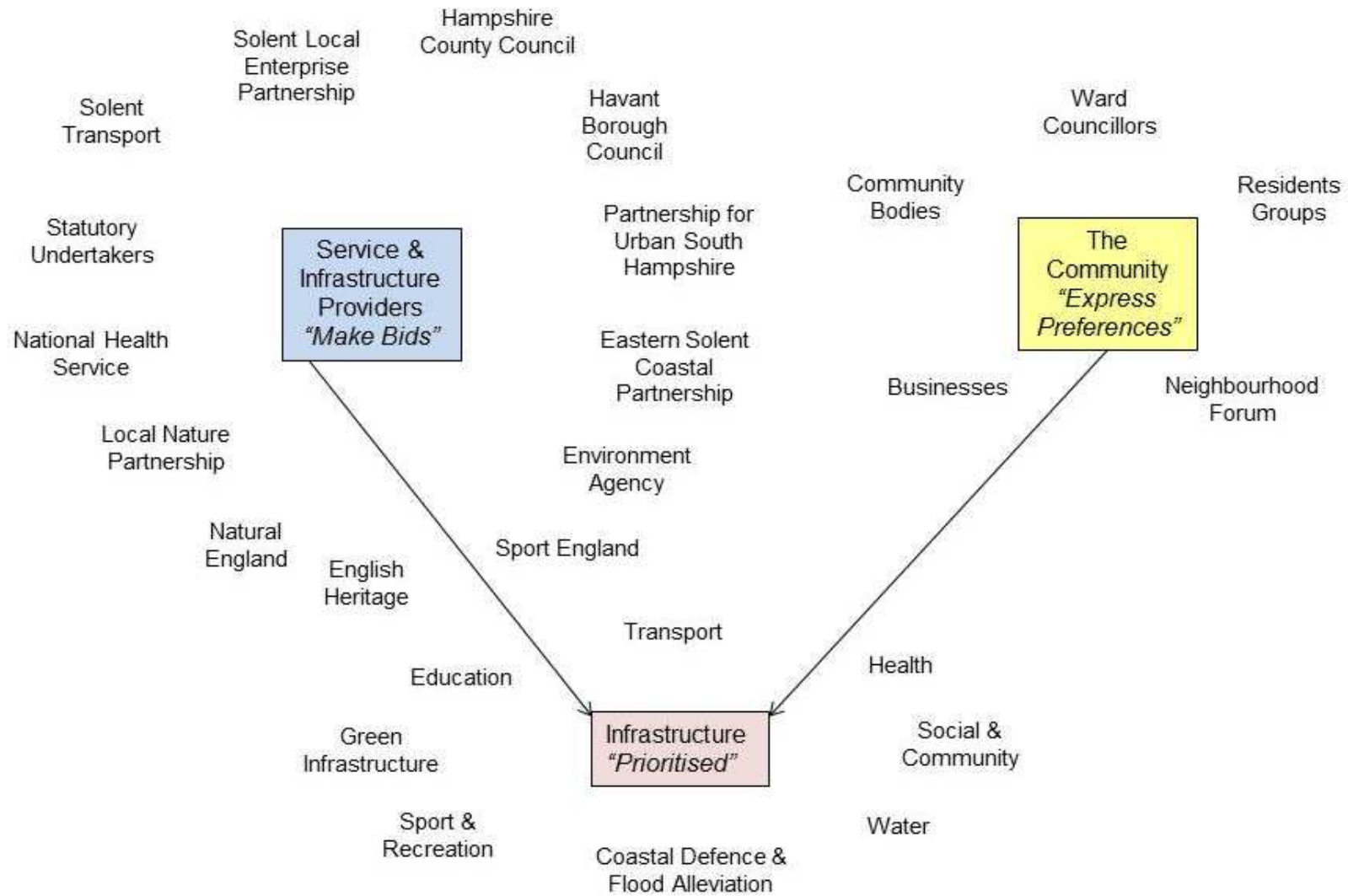
b. If it's necessary to undertake project development work to address technical issues and establish costs then it may be appropriate to seek project development funds through a two-stage bid with funds allocated over more than one year

- stage 1: feasibility/evaluation

- stage 2: implementation.

Please specify responsibility for on-going maintenance costs:

Stakeholder Analysis



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