

NON EXEMPT

## HAVANT BOROUGH COUNCIL

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CABINET

13 February 2019

### COMMUNITY INFRASTRUCTURE LEVY: PROPOSED SPENDING & REVISION OF CIL SPENDING PROTOCOL

Report on behalf of Head of Planning

FOR DECISION

Cabinet Lead: Communities, Development and Housing

Key Decision: No

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#### 1.0 Purpose of Report

1.1. This report provides detail on the 27 bids received following the CIL Bidding Process. It provides an analysis of the bids received and makes recommendations on the spending of CIL funds. It also recommends alterations to the current CIL Spending Protocol and reviews expenditure on Warblington Footbridge approved at Council on 21 February 2018.

#### 2.0 Recommendation

2.1. We recommend that:

**i) The Council invest the available 123 List CIL funds as at 31 March 2018 in the capital infrastructure projects outlined in Table A:**

Title and bid reference number	Amount	Cumulative amount
Langstone FCERM Scheme (1)	£575,000	£575,000
Hayling FCERM Strategy (2)	£0*	£575,000
Hooks Row - Shared Pedestrian and Cycle Link (16)	£115,000	£690,000
Park Road Corridor Feasibility (3)	£10,000	£700,000
Elmleigh Road - Pedestrian and Cycle Improvement (4)	£269,000	£969,000
Waterlooville Town Centre London Road Shared Cycleway (5)	£16,000	£985,000
Milton Road Roundabout - Accessibility and Safety (6)	£100,000	£1,085,000
Hambledon Road - Provision of Cycle Route (7)	£60,000	£1,145,000
Warblington Interchange - Feasibility (13)	£12,000	£1,157,000

**Table A: Current recommended spends and cumulative effect on 123 CIL Pot if all spending options are supported**

\*Funds are not required for this round of CIL Spending but a future commitment is needed to support the spending of CIL Funds in accordance with Table C outlined below. See also Paragraph 6.3

ii) To commit future 123 Pot funds to the following capital infrastructure projects outlined in Tables B and C and that the balance of the CIL 123 Pot be retained to contribute to this expenditure:

Langstone FCERM Scheme - CIL Pot Building Request 2018-2022					
Year	2018/19	2019/20	2020/21	2021/22	Total
CIL funding 'Pot Building' request - Inc. 60% Risk	575,000	575,000	700,000	700,000	2,550,000
CIL funding - No Risk	359,375	359,375	437,500	437,500	1,593,750

Table B: Spending commitment requirement for Langstone FCERM Strategy

Hayling Island FCERM Strategy - CIL Pot Building Request 2018-2022					
Year	2018/19	2019/20	2020/21	2021/22	Total
CIL funding Pot building request 30% Risk	0	170,700	262,218	100,082	533,000
CIL funding - No Risk	0	131,308	201,706	76,986	410,000

Table C: Spending Commitment for Hayling FCERM Scheme

iii) The Council invest the available Neighbourhood Portion funds as at 31 March 2018 outlined in Table D in the capital infrastructure projects:

Title and bid reference number	Amount Requested	Proposed Spend	Cumulative Amount
HIADS Ltd (Replacement Lobby) (D)	£45K	£22,500	£22,500
Age Concern Kitchen Renovation (F)	£27K	£22,962	£45,462
Bidbury Infants School Lighting Project (H)	£19K	£9,500	£54,962
Hayling Sports Centre Extension Feasibility (I)	£18K	£18,000	£72,962
Acorn Centre Extension (J)	£51K	£19,000	£91,962

Table D: Current recommended spends and cumulative effect on Neighbourhood Portion if all spending options are supported

- 2.2 As the CIL Protocol is an evolving document it should be updated to reflect current practice in view of lessons learned.
  - 2.3 **That the Council enter a formal agreement with Network Rail to spend £150K on feasibility only** in respect of the Warblington Footbridge CIL Spend agreed at Council on the 21 February 2018.
- 3.0 Executive Summary**
- 3.1 To review CIL spending position in view of funds currently available, the updated CIL Spending Protocol and reviews expenditure on Warblington Footbridge approved at Council on 21 February 2018.
  - 3.2 Recommend that this report be passed on to Cabinet and Full Council, for a decision on the bids and updated CIL Spending Protocol presented in this report.

## **CIL Spending Protocol**

- 3.3 A number of changes to the protocol are now required to reflect current practice, the proposed changes are outlined in Appendix A2: Revised CIL Spending Protocol (with track changes). The most significant of these changes can be summarised as follows:
- (a) As well as delivering infrastructure necessary to support the Local Plan and Corporate Strategy the Regeneration Strategy will also be taken into consideration.
  - (b) To confirm that CIL is an enabling resource and match funding should be sought from other sources to ensure delivery of infrastructure of greater value than the CIL spent where possible. In respect of the Neighbourhood Portion this shall be 50%. A reduction in this match funding requirement may be considered in exceptional circumstances.
  - (c) To qualify that the Neighbourhood Portion shall only be used to fund projects which are accessible to all sectors of the community, bids of an educational, political or religious nature will only be considered if accessible to all.
  - (d) To build in more time in the project plan (Table A – Appendix A2) for members to become familiar with the bids, involving them in the decision-making process earlier, by circulating summaries of the bids received as soon as they are available in advance of the first councillor workshop.

Additionally

- (e) To introduce a mechanism to allow interim spending decisions to be made outside the annual budget setting process where it is expedient to do so for business reasons or matters of timing.

## **Warblington Footbridge CIL Spend**

- 3.4 A decision was taken at Council on 21 February 2018 to spend £150K on Warblington Footbridge feasibility and design. Due to rising costs and an underestimation of the sum required this sum will only cover feasibility. If additional funds are required for design this will form a separate political decision. Meanwhile, approval is sought to enter a formal agreement with Network Rail to spend the £150K on feasibility only.

## **4.0 Additional Budgetary Implications – Spending the Community Infrastructure Levy**

### **Background**

- 4.1. The CIL Funding Decision Protocol was approved by Full Council on 23 July 2014. The Protocol sets out a process for assessing projects that are eligible for CIL funding; to decide the best way of investing this money for the greatest benefit of the borough. It enables decisions on spending to be clear, transparent and fair and to understand which schemes are critical, essential and desirable. This Protocol was updated 18 February 2015 and 22 February 2017. The proposed amendments to the CIL Spending Protocol will add clarity to the current protocol and will bring a cost saving to the council by:
- (a) Preventing irrelevant bids being submitted to the council.
  - (b) Encouraging organisations to seek match funding from other sources before approaching the council. This will allow spending to be considered across a wider

range of bids and offer delivery of projects of a greater value than that expended from CIL funds.

- (c) Allow the Head of Planning in conjunction with the Cabinet Lead and Section 151 Officer to spend CIL funds if expedient to do so outside of the annual budget setting process to which CIL spending is aligned.

- 4.2 Previous CIL Spending decisions and CIL Annual Monitoring, which shows the CIL sums collected to 31 March 2018 can be viewed online. The budget for the CIL 123 Pot this year is £2M and the Neighbourhood Portion £220K.

## **5.0 Background and relationship to the Corporate Strategy and Directorate Business Plan/s**

- 5.1 The CIL helps to deliver infrastructure across all the priority themes/ambitions set out in the Corporate Strategy in respect of economic growth, public service excellence, financial sustainability, environmental sustainability and creativity and innovation.
- 5.2 In respect of the 2018-2019 Business Plan for Planning and Regeneration, CIL investment contributes to the delivery of infrastructure to fulfill the aims of the local plan and enable place shaping. This directly benefits the prosperity of the borough.

## **6.0 Options considered and reasons for the recommendation**

- 6.1. The bids received were analysed against the CIL Spending Protocol and were then presented to councillors on 2 October, with a subsequent consultation inviting councillors to contribute their written comments on the presented bids concluding 2 November 2018. These are outlined in Appendix G.

### **CIL 123 Pot**

- 6.2. The bids being taken forward for consideration for funding from the CIL 123 Pot are all considered to be 'critical' or 'essential' to delivery of the local plan. The CIL Spending Protocol gives more information on these definitions (Appendix A1). The bids are described more fully in the Summary of Bids – Regulation 123 List/CIL Pot at Appendix C, along with additional comment by the Community Infrastructure Officer. These bids have also been reviewed against the protocol at Appendix D.
- 6.3. Two of the bids have been assessed as 'critical' (without which development cannot proceed), namely the Langstone FCERM Scheme and the Hayling FCERM Strategy. These require a funding commitment beyond 2018/19. This is allowed for in the CIL Spending Protocol. See also Appendix C, pages 3 – 7 for more information on these bids.

### **Neighbourhood Portion**

- 6.4. The bids being taken forward for consideration for funding from the Neighbourhood Portion are all considered to be 'desirable'. The bids are described more fully in Appendix E, along with additional comment by the Community Infrastructure Officer. These bids have also been reviewed against the protocol and can be viewed at Appendix F. We are recommending funding for all eligible bids, however the amounts

allowed may differ to the funds requested to allow for match funding, which is now seen as essential criterion when making a Neighbourhood Portion bid.

### **CIL Spending Protocol**

- 6.5. Application of the CIL Spending Protocol on an annual basis means that the protocol needs to respond to changing circumstances. The suggested amendments arise from lessons learned, no other options need to be considered. The protocol may be revised at the next round of CIL spending if required.

### **7.0 Resource Implications**

- 7.1 The collection of CIL is bringing significant funds to the council. The CIL Protocol is used to 'sift' the bids received and identifies the infrastructure which will bring most benefit to the borough and its residents. It identifies schemes that are deliverable and will bring real improvements in infrastructure.
- 7.2 The CIL Administration Fee of 5% is allowing the management of CIL to be largely self-funding. The sum for the 2018 financial year was £75,881.

### **8.0 Legal Implications**

- 8.1. In developing and implementing 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.

### **9.0 Risks**

- 9.1. The protocol sets the framework for ensuring that the CIL is spent effectively and provides or enables the most necessary infrastructure to ensure a prosperous borough and support the local plan. The bids submitted have been analysed against the protocol.

### **10.0 Consultation**

- 10.1 The bid process consultation took place between 29 June and 10 August 2018. This was followed up by a Councillor Workshop on 2 October 2018 with a further CIL Workshop which took place on 15 January 2019. Councillors were also given the opportunity to provide written feedback on the bids going forward (the consultation closed 2 November 2018).
- 10.2 The information in this report was presented to Executive Board on 15 November 2018 and the report on the revised CIL Spending Protocol only to Cabinet Briefing on 21 November 2018.

### **11.0 Communication**

- 11.1 Stakeholders were invited to bid (including councillors) and the information was also incorporated in a press release which was distributed through the usual channels including social media. Councillors were introduced to the bids at the workshop on 2

October 2018 (the bid summary documents having been distributed in the previous week). The CIL Spending Workshop presentation and accompanying documents were distributed to all councillors on 3 October 2018. The second workshop took place on 15 January 2019 and the presentation and accompanying documents (reproduced in the appendices to this report) were distributed to all councillors on 16 January 2019.

### **Appendices:**

Appendix A1 – Community Infrastructure Levy Funding Decision Protocol (Revised February 2017)

Appendix A2 – Revised Community Infrastructure Levy Funding Decision Protocol (with track changes)

Appendix B – List of Bids Received 2018

Appendix C – Summary of Bids Regulation 123 List/Pot

Appendix D – Assessment of Bids (Regulation 123 List/Pot)

Appendix E – Summary of Bids - Neighbourhood Portion

Appendix F – Assessment of Bids (Neighbourhood Portion)

Appendix G – Summary of Responses to Councillor Consultation

### **Background Papers:**

Community Infrastructure Levy Regulations 2010 as amended

Community Infrastructure Levy (Amendment) Regulations 2013

Community Infrastructure Levy (Amendment) Regulations 2014

Department for Communities and Local Government – Planning Practice Guidance

The Havant Borough Local Plan (Core Strategy 2011 and Allocations Plan 2014)

Draft Local Plan Housing Statement July 2016 (Havant Borough Local Plan 2036)

Draft Havant Borough Local Plan 2036 (consulted on between 8 January and 16 February 2018)

HBC CIL Spending Decisions: [www.havant.gov.uk/planning-and-environment/planning-policy/community-infrastructure-levy/cil-spending-decisions](http://www.havant.gov.uk/planning-and-environment/planning-policy/community-infrastructure-levy/cil-spending-decisions)

HBC CIL Annual Monitoring: [www.havant.gov.uk/planning-and-environment/planning-policy/community-infrastructure-levy/cil-monitoring](http://www.havant.gov.uk/planning-and-environment/planning-policy/community-infrastructure-levy/cil-monitoring)

Agreed and signed off by:

Cabinet Lead: Councillor Leah Turner (22/01/2019)

Director of Regeneration and Place and Head of Planning: Simon Jenkins (16/01/2019)

Monitoring Officer: Nick Leach (24/01/2019)

Deputy S151 Officer: Andrew Clarke (22/01/2019)

**Contact Officer:** Louise Weaver

**Job Title:** Community Infrastructure Officer

**Telephone:** (023) 9244 6545

**E-Mail:** [louise.weaver@havant.gov.uk](mailto:louise.weaver@havant.gov.uk)