

## **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**

<b>Date</b>	<b>Action</b>
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**

	<b>Criteria</b>	<b>Yes / No</b>
	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**

	<b>Category</b>	<b>Description</b>
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.

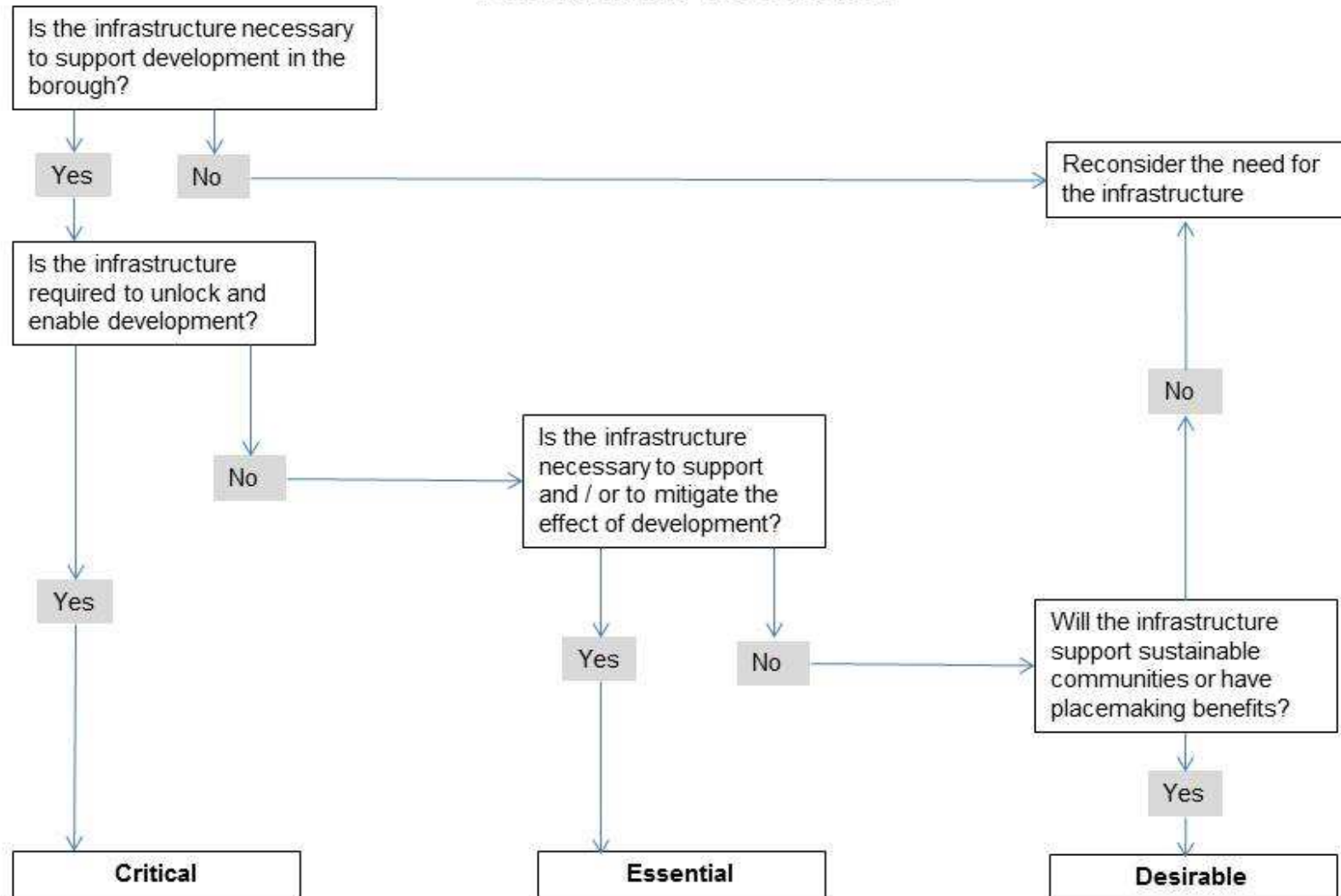
**Preparing the Draft Spending Programme**

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)
<b>Short Term Projects</b>							
Critical							
Essential							
Desirable							
<b>Medium Term Projects</b>							
Critical							
Essential							
Desirable							
<b>Long Term Projects</b>							
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**

