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## CABINET AGENDA

**Membership:** Councillor Cheshire (Chairman)

Councillors Bains, Pike, Briggs, Guest, Turner and Wilson

**Meeting:** Cabinet

**Date:** Wednesday 8 February 2017

**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:

Nick Leach  
Monitoring Officer

31 January 2017

Contact Officer: Penny Milne 02392446234  
Email: [penny.milne@havant.gov.uk](mailto: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 - 8

To confirm the minutes of the last meeting held on 16 November 2016.

**3 Matters Arising**

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

<b>4</b>	<b>Declarations of Interests</b>	
	To receive and record any declarations of interest.	
<b>5</b>	<b>Chairman's Report</b>	
<b>6</b>	<b>Cabinet Lead Delegated Decisions, Minutes from Meetings etc.</b>	<b>9 - 12</b>
	To note the minutes of the meeting of the Portchester Crematorium Joint Management Committee held on 12 December 2016.	
<b>7</b>	<b>Recommendations from the Scrutiny Board</b>	
<b>7a</b>	<b>Review into the Need for a new Cemetery in the Borough</b>	<b>13 - 18</b>

### **Leader of the Council and Cabinet Lead for Corporate Strategy, Finance and Devolution**

<b>8</b>	<b>Revenue and Capital Budget 2017/18 to 2021/22</b>	
<b>8a</b>	<b>Recommendations from the Scrutiny Board</b> Report to follow.	
<b>8b</b>	<b>Report to Cabinet</b>	<b>19 - 50</b>
<b>9</b>	<b>Public Sector Audit Appointments</b>  Report to follow.	

### **Cabinet Lead for Economy, Planning and Development, Prosperity Havant**

<b>10</b>	<b>CIL Spending 2016/17</b>	<b>51 - 100</b>
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### **PART 2 (Confidential items - closed to the public)**

None.

## **GENERAL INFORMATION**

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# Havant

## BOROUGH COUNCIL

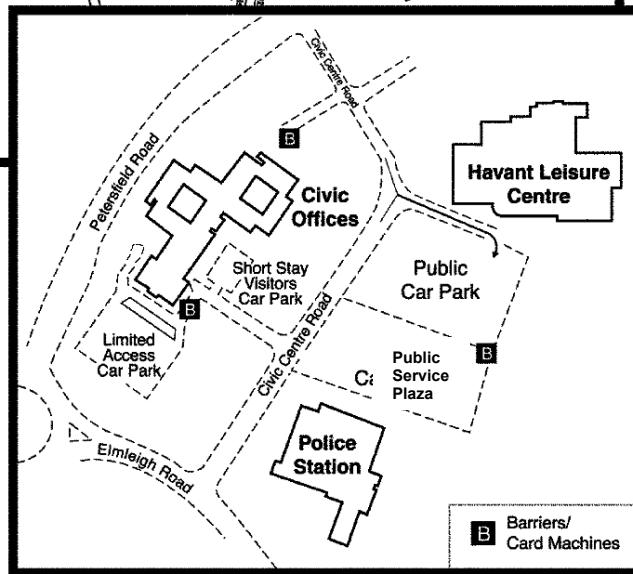
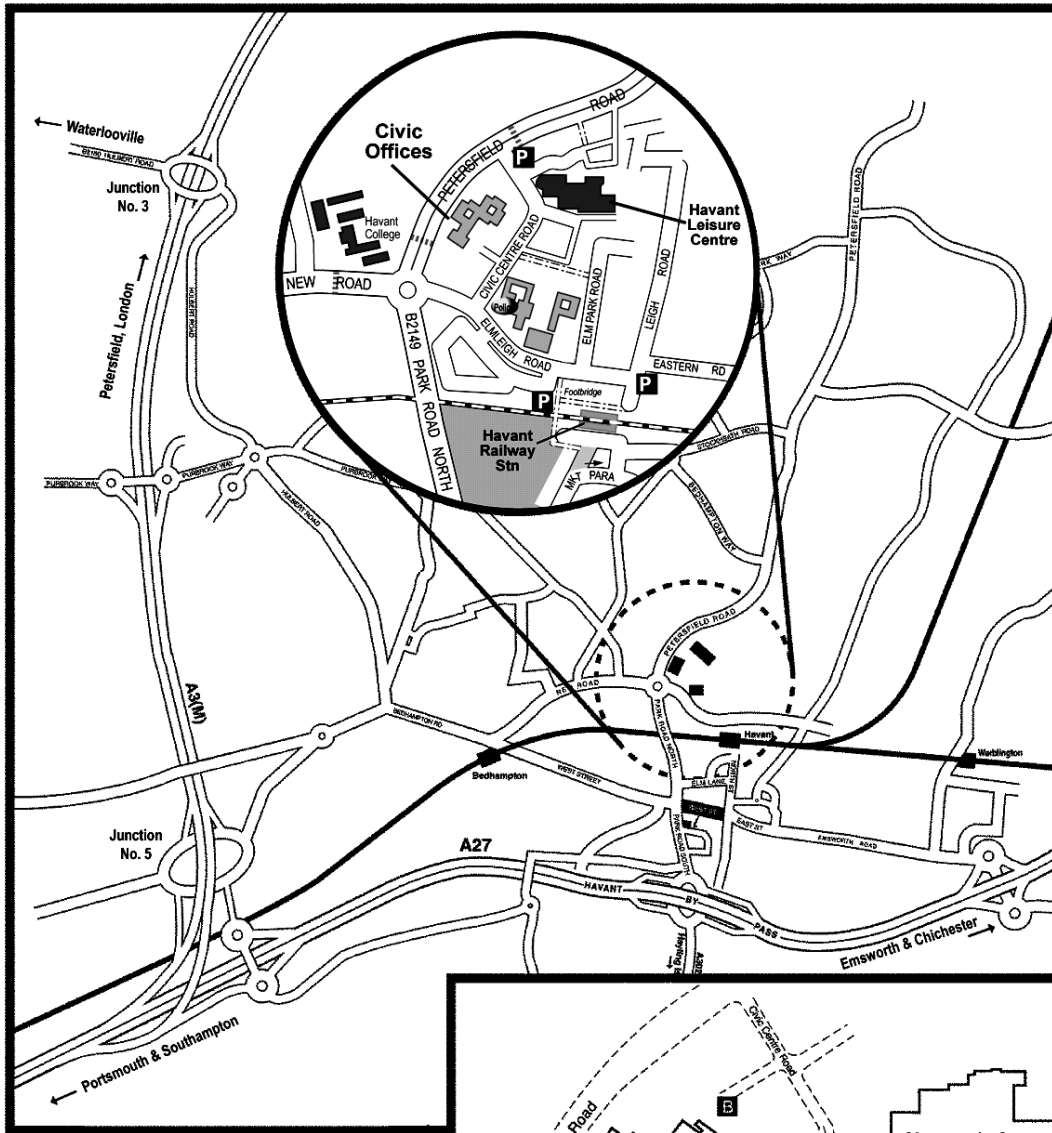
### PROTOCOL AT MEETINGS – RULES OF DEBATE

#### Rules of Debate

- Councillors must always address each other as “Councillor ...” and must always address the meeting through the Chairman;
- A motion must relate to the business included on the agenda or accepted by the meeting as urgent business
- A motion must be proposed and seconded before it is debated until it is either accepted or rejected by a vote;
- An amendment can be proposed to the original motion and this must be seconded before it is debated;
- An amendment cannot be considered if it is inconsistent with an amendment previously adopted or repeats an amendment previously rejected;
- The mover of an original motion may, with the consent of the mover of an amendment, incorporate an amendment into the motion;
- Only one amendment may be moved at a time. No further amendments can be moved until the previous amendment has been dealt with;
- Each amendment must be voted on separately;
- If an amendment is carried, the amended motion becomes the substantive motion to which further amendments may be moved;
- If an amendment is lost, other amendments may be moved to the original motion.
- The mover may withdraw an amendment at any time
- After an amendment has been carried, the Chairman will read out the amended (substantive) motion, before accepting any further amendment, or if there are none, put it to the vote.

#### Voting

- Voting may be by a show of hands or by a ballot at the discretion of the Chairman;
- Councillors may not vote unless they are present for the full duration of the item;
- Where there is an equality of votes, the Chairman may exercise a second (casting) vote;
- Two Councillors may request, before a vote is taken, that the names of those voting be recorded in the minutes
- A recorded vote will always be taken in respect of approval of the Annual Budget
- Councillors may not vote unless they are in the meeting for the full debate on any particular item
- A Councillor may request that his/her vote be recorded in the minutes



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## HAVANT BOROUGH COUNCIL

At a meeting of the Cabinet held on 16 November 2016

Present

Councillor Cheshire (Chairman)

Councillors Bains, Briggs, Guest, Turner and Wilson

### **35 Apologies for Absence**

There were no apologies for absence.

### **36 Minutes**

The minutes of the meeting of the Cabinet held on 7 September 2016 be approved as a correct record.

### **37 Matters Arising**

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

### **38 Declarations of Interests**

There were no declarations of interest from any of the members present.

### **39 Chairman's Report**

### **40 Cabinet Lead Delegated Decisions, Minutes from Meetings etc.**

RESOLVED that the minutes of the meeting of the Portchester Crematorium Joint Management Committee be noted.

### **41 Deputations**

Cabinet noted the names of those organisations and individuals that had submitted requests to make deputations in respect of minute 42 below as set out in the paper headed "Supplementary Information – Deputations".

### **42 Local Plan Housing Statement**

The following additional papers were circulated in addition to the published report:

- (A) Map "Strategic Site – Area Between Denvilles and Emsworth" (to replace map on page 237 of the published report, and Map "Southleigh Park House (UE55)" to replace the map on page 254 of the published report, both circulated in the paper headed "Supplementary Information – UE55 and Strategic Site";

- (B) Revised recommendations together with explanatory text including paragraph references relating to where within the published Cabinet report the additional text should be included, circulated in the paper headed *“Additional Recommendations and Supplementary Information.”*

As Cabinet Lead for Economy and Planning, Councillor Guest presented the report to Cabinet, together with the revised recommendations referred to in (B) above. The submission of revised recommendations and additional text in the Cabinet report had been in recognition of, and a direct response to, the important points made in many of the representations received around the importance of infrastructure provision alongside any new development.

The Cabinet then heard the following deputations:

- Robert Tutton, representing West Bedhampton Residents Association

Mr Tutton outlined objections to the release of agricultural land at site UE68 (Forty Acres), without first exhausting options for redeveloping poorer quality sites, and in the absence of a consultation response from Natural England, on the grounds of the potential impact on local Brent Geese and Wader populations.

- Rosie Law, representing Local Hayling Residents

Ms Law outlined objections to the release of site UE18 (Station Road) on the basis of its importance as a habitat for migrating Brent Geese, the importance of the Hayling Billy Trail as a nature reserve and current pressures on the road infrastructure on Hayling Island that would be exacerbated by further development.

- David Hindley, Resident of Old Bedhampton

Mr Hindley outlined objections to the release of site UE30 (Land South of Lower Road, Bedhampton) on the basis of the potential risk to pedestrians and cyclists, supported by recent CCTV footage, should there be further development in the area.

- Sue Holt, representing Havant Friends of the Earth

Ms Holt outlined objections to the release of greenfield sites for development on the basis of the implications for important wildlife habitats and a lack of clarity about mitigation, suggesting that the local planning authority’s focus should be on the identification of more sustainable brownfield sites, including Havant Town Centre.

- County Councillor Liz Fairhurst

County Councillor Fairhurst outlined objections focusing on UE68 and UE30 (Forty Acres and Land South of Lower Road, Bedhampton), the potential



damage to the conservation area, highway safety pressure on traffic infrastructure and implications for local wildlife habitats.

- Councillor John Perry

Councillor Perry preceded his deputation by stating that he was speaking upon behalf of his residents taking into account the large amount of correspondence he had received and that he would approach the full Council debate with an open mind and make his decision as to how he would vote when all the evidence was presented.

Councillor Perry referred to the Government's national housebuilding programme, the implications for the Council's five-year housing land supply and the need to undertake a detailed infrastructure review for Hayling Island to secure sustainable development in the context of existing pressures on local infrastructure that would make further development unsustainable without significant improvements.

- Councillor Claire Satchwell

Councillor Satchwell preceding her deputation by stating that she was speaking upon behalf of her residents taking into account the large amount of correspondence she had received and that she would approach the full Council debate with an open mind and make her decision as to how she would vote when all the evidence was presented.

Councillor Satchwell outlined residents' concerns in relation to infrastructure provision, particularly in the key areas of traffic management, flood mitigation and healthcare. Cllr Satchwell also urged the Council to formally lobby the Secretary of State and the two MP's to review the 5-year land supply rule to enable Councils to better defend speculative planning applications prior to the adoption of new Local Plans.

- Councillor Andy Lenaghan (statement read to the Cabinet by Councillor Mike Fairhurst)

Councillor Fairhurst preceded Councillor Lenaghan's deputation by reading a statement from Cllr Lenaghan that he was speaking upon behalf of his residents taking into account the large amount of correspondence he had received and that he would approach the full Council debate with an open mind and make his decision as to how he would vote when all the evidence was presented.

Councillor Lenaghan's statement focused on the perceived speed with which the Local Plan review was being taken forward, the infrastructure pressures associated with new development, especially on Hayling Island and particularly in relation to flooding and traffic infrastructure, and the need to protect the Island as a tourist destination.

- Councillor Joanne Thomas

Councillor Thomas preceded her deputation by stating that she was speaking upon behalf of her residents taking into account the large amount of correspondence she had received and that she would approach the full Council debate with an open mind and make her decision as to how she would vote when all the evidence was presented.

Councillor Thomas outlined concerns relating to the perception that new development would be approved in light of central government pressure on housing targets and without adequate consideration of local objections. Councillor Thomas also referred to pressures on the traffic and healthcare infrastructure on Hayling Island, the ecological implications associated with increased floodrisk and the need to safeguard local ecosystems and quality of life for residents.

- Councillor Ken Smith

Councillor Smith preceded his deputation by stating that he was speaking upon behalf of his residents taking into account the large amount of correspondence he had received and that he would approach the full Council debate with an open mind and make his decision as to how he would vote when all the evidence was presented.

Councillor Smith outlined residents' concerns around the implications of new development on the health and traffic infrastructure, current pressures on sewage systems and the need to maintain gaps between settlements as identified in the 2012 Havant Gaps Review.

The Cabinet noted that deputations from Andrew Walker and Councillor Malcolm Carpenter had been withdrawn prior to the meeting.

Cabinet members were then given an opportunity to ask questions of the officers in respect of the report and the additional matters raised by the deputees. The Chairman then opened the matter up to debate by Cabinet members.

Cabinet members were given an assurance that work had already begun under the Local Plan process to undertake a thorough infrastructure review and the revised recommendations before Cabinet at this meeting (B above) reflected this added focus, and in response to the extensive representations received, included a commitment to include a comprehensive Infrastructure Delivery Statement in the Havant Borough Local Plan 2036.

Cabinet members also expressed significant concern about the Council's vulnerability to speculative applications for development in the absence of a 5-year land supply for housing, following the increased allocations identified by the Objectively Assessed Housing Need exercise undertaken in June 2016 as in compliance with the Government's National Planning Policy Framework (NPPF).

In order to mitigate this, and in order to better defend applications for unsustainable development, the Council needed to have in place its new Local Plan in place as soon as possible. This would put the Council as Local Planning Authority, and local communities, in a strong position to influence the location of new development. In the interim, the proposal to require developers to include an Infrastructure Delivery Statement in support of their applications would strengthen the Local Planning Authority's ability to ensure the sustainability of any new development in the Borough.

In response to representations suggesting that alternative brownfield sites may be available for development, the officers stressed that the call for sites had been exhaustive and that the number of sites identified still fell short of the objectively assessed need, leaving the Local Planning Authority vulnerable to the imposition of development by the Planning Inspectorate. Withdrawal of identified sites would weaken the Local Planning Authority's position still further.

The Leader of the Council reported that he would be writing in strong terms to the Secretary of State, the Minister for Housing and the local MPs demanding an urgent change in the Government's housing strategy and, in particular, a review of the five-year housing land supply rule, to offer some interim protection to Councils such as Havant who were robustly reviewing their local plans in order to comply with the requirements of the NPPF.

This need to maintain pressure on the Government through the Secretary of State and the Borough's MPs was strongly supported by Cabinet members. This was also reflected in the revised recommendations to Cabinet, in that the Government be demanded to review its current housing strategy and recognise the urgent need for infrastructure delivery alongside new development.

RESOLVED that

- (1) the responses to the recent consultation be noted (Appendix 1 to the Cabinet report);
- (2) the proposed changes to the Local Plan Housing Statement be approved (as set out in appendix 1, and amended as set out in the paper headed "Additional Recommendations and Supplementary Information");
- (3) in addition, a further change be agreed to require within Guiding Principle 4 and its supporting text that any site outside the identified Urban Area (Policy AL2) may only be considered in principle if accompanied by a comprehensive Infrastructure Delivery Statement, produced as agreed by, and in collaboration with, the Local Planning Authority;
- (5) the Havant Local Plan 2036 proceeds to Pre-Submission stage only after a further public consultation takes place on a full Havant Borough Local Plan 2036, which shall include a comprehensive Local Plan Infrastructure Delivery Statement referring to every site identified for housing development and

included in the Local Plan Housing Statement;

- (6) the Council make representations through the Council Leader and local MPs to the Secretary of State and the Housing and Planning Minister to review the five year housing supply rule to enable local planning authorities that are making positive progress on local plan reviews a moratorium on the release of sites until the local plan is adopted;
- (7) the Council make representations through the Council Leader and local MP's to the Secretary of State, the Housing and Planning Minister, Hampshire County Council, Solent LEP and other infrastructure bodies regarding the need to recognise the urgent need for infrastructure delivery alongside the building of new homes;
- (8) the Cabinet RECOMMENDS to Council the adoption of the Local Plan Housing Statement (Appendix 2) in accordance with the above, and amended as set out in the paper headed "Additional Recommendations and Supplementary Information" and that as the Infrastructure Delivery Statement is produced it becomes a material consideration alongside the Housing Statement;
- (9) the Borough Council's five year housing land supply position as described in paragraphs 3.14 - 3.19 of the Cabinet report be noted;
- (10) the Head of Planning be authorised to publish a five year housing land supply summary and update it as necessary;
- (11) authority be delegated to the Head of Planning, in consultation with the Cabinet Lead for Economy, Planning, Development and Prosperity Havant, to publish an updated Local Development Scheme (LDS) setting out a costed timetable for the production of the Infrastructure Delivery Statement and the Submission of the Havant Local Plan 2036; and
- (12) authority be delegated to the Head of Planning, in consultation with the Cabinet Lead for Economy, Planning, Development and Prosperity Havant, to make any necessary amendments to the documents listed above. These shall be limited to grammatical, typographical, formatting and graphic design changes and shall not change the meaning of the material.

### **43 Street Naming and Numbering and Address Management**

- 43** Councillor Guest presented a report and recommendations setting out a proposal to introduce a policy for street naming and numbering and address management that would include introducing a charging scheme.

RESOLVED that

- (1) the Policy for Street Naming, Numbering and Address Management be agreed;

- (2) the Schedule of Charges that will come into force on 1 January 2017 be approved;
- (3) from 1 January 2017, East Hampshire District Council to provide this service on behalf of Havant for the sum of £20,000 per annum, and
- (4) any fee income paid to EHDC on behalf of HBC that exceeds £20,00 per annum.

#### **44 Council Tax Support Scheme 2017/18**

Councillor Cheshire presented a report and recommendations seeking agreement for the 2017/18 Council Tax Support Scheme.

RECOMMENDED to full Council that

- (1) The 2016/17 Council Tax Support Scheme is retained for 2017/18 but with the following amendments:
  - (i) the Allowances and Premiums used in determining entitlement for working age claims are changed as set out in paragraph 5.3 of the Cabinet report; and
  - (ii) the Non-Dependent deductions used in determining entitlement for working age claims are changed as set out in paragraph 5.4 of the Cabinet report;
- (2) the necessary amendments are made to the Council Tax Support Scheme document and that it is then published in accordance with Local Government Finance Act 1992 Section 13A(2).

#### **45 Councillor Development Panel**

Councillor Wilson presented a report and recommendation seeking to appoint an additional member to the Councillor Development Panel.

RESOLVED that Councillor Faith Ponsonby be appointed to the Councillor Development Panel.

#### **46 Exclusion of the Press and Public**

RESOLVED that the press and the public be excluded from the meeting during consideration of the following items 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 1 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.

#### **47 Exempt Cabinet Lead Delegated Decisions**

RESOLVED that the exempt decision taken by the Deputy Leader of the Council on 30 September 2016 under the Scheme of Delegations to Cabinet Leads be noted.

**The meeting commenced at 6.00 pm and concluded at 8.03 pm**

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**Chairman**

# Agenda Item 6

## PORTCHESTER CREMATORIUM JOINT COMMITTEE

MINUTES OF THE MEETING of the Joint Committee held in the Civic Offices, Portsmouth on Monday 12 December 2016 at 2.00 pm.

### Present

#### Fareham Borough Council

Councillor Keith Evans

#### Gosport Borough Council

Councillor Dennis Wright (Chairman)  
Councillor Keith Farr (standing deputy)

#### Havant Borough Council

Councillor David Guest

#### Portsmouth City Council

Apologies received for non-attendance

#### Apologies for Absence (AI 1)

Councillor Susan Bell (Fareham BC), Councillor Alan Scard (Gosport BC), Councillor Tony Briggs (Havant BC), and Councillors Lee Mason & Rob New (Portsmouth CC)

**708 Declarations of Members' Interests (AI 2) – None**

**709 Minutes of the Meeting held on 19 September 2016 (AI 3)**

**RESOLVED that the minutes of the meeting held on the 19 September 2016 be signed as a correct record.**

**710 Matters Arising from the Minutes not specifically referred to on the Agenda (AI 4) - None**

**711 Clerk's Items (AI 5)**

#### **(a) Portchester Crematorium Web Site**

The Joint Committee was given a demonstration of the refreshed and updated Portchester Crematorium Web Site. Members extended special thanks to Helen Jenkins, the Deputy Manager and Registrar, and Fareham Borough Council's web development team for implementation of the new web site.

**NOTED**

## **712 Finance Strategy and Budget for 2017/18 (AI 6)**

(TAKE IN REPORT OF THE TREASURER)

The Deputy Treasurer presented and highlighted the key aspects within the report and in response to questions the following main points arose –

- The increase in the amount of Business Rates payable by cemeteries and crematoria from 2017 onwards following receipt of draft rateable re-valuation from the Valuation Office Agency including consideration of a possible appeal;
- The level of contribution required to the capital works fund bearing in mind the value of a scheme for future cremators replacement;
- The extent of the refurbishment and remodelling works undertaken to the South Chapel to maintain its high quality and marketability, given the changed operating environment of Portchester following the opening of The Oaks.

**RESOLVED (1) that the Finance Strategy 2017/18, attached as Appendix A to the report, be approved;**

**(2) that the Finance Strategy 2017/18 be sent to the four constituent authorities to note for their information.**

## **713 Revenue Budget Report - 2017/18 (AI 7)**

(TAKE IN REPORT OF THE TREASURER)

The Deputy Treasurer presented and highlighted the key aspects within the report including the two options proposed for cremation charges, the reasons for which were explained to and discussed by the Joint Committee.

**RESOLVED (a) That the capital works programme as detailed in Appendix E be approved;**

**(b) That Option 2 be approved for the proposed cremation fees and other charges as set out in Appendices B & C from 1 April 2017;**

**(c) That the proposed revenue account estimates as set out in Appendix A to the report be approved;**

**(d) That the Joint Committee writes to the Leader of each constituent authority to advise them of the annual payment to be received from the Portchester Crematorium Joint Committee in 2016/17 and in 2017/18.**

## **714 Building Works Programme (AI 8)**

(TAKE IN REPORT OF THE ENGINEER AND SURVEYOR)

**RESOLVED that the contents of the report be noted.**



## **715 Manager and Registrar's Report (AI 9)**

### **(a) General Statistical Report**

(TAKE IN REPORT OF THE MANAGER AND REGISTRAR)

In submitting his report the Manager and Registrar advised that by the end of the calendar year he expected the total cremation figure to be in line with the figures for 2015.

**RESOLVED that the report be received and noted.**

### **(b) Any other items of topical interest – public comments register**

The Manager and Registrar reported that following the introduction of the public comments register in September, in addition to the usual number of miscellaneous enquires and expressions of thanks, there had been five logged comments. One occasion was when a member of the public had expressed concern and required special assistance in locating interred ashes within a large shrub area. Another member of the public had complained about a dog being walked off a lead in the grounds. There had also been three written expressions of thanks for assistance given by staff.

**NOTED**

### **(c) Health and Safety Policy**

The Manager and Registrar reported that the Crematorium's Health and Safety policy had been reviewed and was ready for signature by the Chairman of the Joint Committee.

**NOTED**

## **716 Horticultural Consultant's Report (AI 10)**

(TAKE IN REPORT OF THE HORTICULTURAL CONSULTANT)

In addition to presenting his report the Horticultural Consultant showed members the glass trophy that had been awarded to the Crematorium upon receiving a Gold Award in the 2016 South and South East Britain in Bloom Awards. The criteria for the award included not only the quality of the grounds but also the appearance of buildings together with environmental and related matters.

**RESOLVED that the report be received and approved.**

## **717 Portchester Crematorium Grounds Maintenance Contract (AI 11)**

Before considering this item the Joint Committee –

**RESOLVED that the public be excluded from the meeting during this item of business because it is likely that if members of the public were present there would be disclosure to them of ‘exempt information’ within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.**

(TAKE IN EXEMPT MINUTE)

The purpose of the exempt report was to advise on the arrangements for the continued provision of horticultural and grounds maintenance services during 2017 and arrangements and the timetable to invite tenders for a new contract to commence in January 2018.

The Joint Committee agreed (summarised) that arrangements be made to invite tenders for the grounds maintenance contract and noted the interim arrangements made for the provision of grounds maintenance until the start of the new contract.

## **718 Date of Next Meeting – Monday 20 March 2017 at 2pm in Fareham**

The meeting concluded at 2.48pm

Chairman

JH/me  
13 December 2016  
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## HAVANT BOROUGH COUNCIL

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**CABINET**

**8 February 2017**

### **Review Into the Need for New Cemetery for the Borough**

**Report by: Scrutiny Board**

**For recommendation**

**Key decision: no**

**Portfolio and Cabinet Lead: Councillor Tony Briggs**

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#### **1.0 Purpose of the Report**

1.1 At its meeting held on 1 November 2016, the Scrutiny Board considered a report (Appendix A) from the Economy, Planning, Development and Prosperity Havant Scrutiny and Policy Development Panel, setting out its findings and recommendations following a scrutiny to evaluate the need to identify a site for a new cemetery for the Borough.

1.2 The Scrutiny Board endorsed the recommendations set out in the report.

#### **2.0 Recommendations**

It is recommended to Cabinet that;

2.1 The Council continue with its current provision of cemeteries and aim to make the service financially viable;

2.2 The Cabinet investigate raising the fees and charges for burial sites to cover the operational costs of the service (including maintenance of cemeteries);

2.3 A financial analysis be carried out to investigate the costs of developing the MDA cemetery site as a whole and the costs for developing the site in stages;

2.4 If the decision is made to proceed with the MDA cemetery site, opportunities for private sector investment be fully investigated;

2.5 An update be carried out on the review of other possible sites for a cemetery within the Borough; and

- 2.6 Officers be requested to complete discussions with Grainger PLC relating to the future provision of a cemetery site arising from the MDA Development before making a decision.

## **Appendices**

Appendix A – Report by the Economy, Planning, Development and Prosperity Havant Scrutiny and Policy Development Panel

## **Background Papers**

[Panel's Findings Pack](#)

**The Panel's report was agreed and signed off for publication by:**

**Heads of Service:** 10 November 2016  
**Head of Finance:** 14 September 2016  
**Head of Legal:** 11 November 2016

**Contact:** Councillor Mike Fairhurst  
**Title:** Scrutiny Lead for the Economy, Planning, Development and Prosperity Havant Scrutiny and Policy Development Panel

**Telephone:**  
**E-Mail:** [mike.fairhurst@havant.gov.uk](mailto:mike.fairhurst@havant.gov.uk)

**HAVANT BOROUGH COUNCIL**

**Scrutiny Board**

**22 November 2016**

***Review Into the Need for New Cemetery for the Borough***

FOR RECOMMENDATION

KEY DECISION NO

REPORT BY: Economy, Planning, Development and Prosperity Havant Scrutiny and Policy Development Panel

**1.0 EXECUTIVE SUMMARY**

- 1.1 The review was established to evaluate the need to identify a site for a new cemetery for the Borough. The review would also look at the current cemetery provision and the proposal for a new cemetery at the West of Waterlooville MDA ('MDA').

**2.0 RECOMMENDATIONS**

It is recommended to Cabinet that;

- 2.1 The Council continue with its current provision of cemeteries and aim to make the service financially viable;
- 2.2 The Cabinet investigate raising the fees and charges for burial sites to cover the operational costs of the service (including maintenance of cemeteries);
- 2.3 A financial analysis be carried out to investigate the costs of developing the MDA cemetery site as a whole and the costs for developing the site in stages;
- 2.4 If the decision is made to proceed with the MDA cemetery site, opportunities for private sector investment be fully investigated;
- 2.5 An update be carried out on the review of other possible sites for a cemetery within the Borough; and
- 2.6 Officers be requested to complete discussions with Grainger PLC relating to the future provision of a cemetery site arising from the MDA Development before making a decision.

**3.0 STRATEGY**

3.1 The Council has identified financial sustainability, public service excellence and innovation as key aspects of the Corporate Strategy. The above recommendations seek to provide a burial service that is financially sustainable, continue a service for the Borough's residents and look at innovative ways to ensure this provision can be continued.

#### **4.0 LEGAL**

4.1 The Council has no statutory duty to provide cemeteries but where it does so, it has a duty to maintain them. As such, legacy considerations would continue beyond any decision to cease cemetery provision.

#### **5.0 RESOURCES**

5.1 The cemeteries service currently runs at a deficit and the above recommendations seek to make the service more financially viable. Any financial implications arising from the potential development of a new cemetery within the Borough will be detailed in future reports.

5.2 Development of a new cemetery would require capital investment, but would provide opportunity for the whole or partial recovery of historic maintenance costs of existing cemeteries over its lifetime.

5.3 It is recognised that accepting the recommendations detailed at 2.3 to 2.6 will require resources.

#### **6.0 STAKEHOLDERS**

6.1 The provision of cemeteries is highly likely to be an emotive area for residents and the above recommendations seek to look at a number of options to enable this service to continue in as financially viable a way as possible.

#### **7.0 RISKS**

7.1 There are no risks arising directly from this report and any future risks arising from further consideration of cemetery provision in the Borough will be detailed in future reports.

7.2 It is recognised that there could be an impact on the assured income streams to Norse South East.

#### **8.0 Key Findings**

8.1 The Panel considered the report from the Open Spaces Officer included in the agenda for the meeting of the Cabinet to be held on 19 March 2014 on cemetery provision but was withdrawn prior to the meeting and has not been considered since (see Background Papers for previous report).

- 8.2 The Panel also considered the reports from the Environmental Services Scrutiny and Policy Development Panel from the previous scrutiny on the Borough's cemetery provision. This scrutiny review was not completed due to other urgent scrutiny projects (see Background Papers for scrutiny reports).
- 8.3 The Panel met with the Head of Environmental Services, the Head of Development, the Operations Director of NORSE and the Projects Officer (Open Spaces) for NORSE to discuss cemetery provision. The notes from this meeting are featured in the background papers to this report.

## 9.0 Background Papers

The Future Provision of Cemeteries in the Borough of Havant – report by the Open Spaces Team Leader included in the agenda for the meeting of the Cabinet on 19 March 2014 (item was withdrawn).

Reports Relating to Incomplete Scrutiny Report – reports by the Environmental Services Scrutiny and Policy Development Panel from scrutiny review of cemetery provision (review incomplete).

Notes from Economy, Planning, Development and Prosperity Havant Scrutiny and Policy Development Panel meeting on 30 August 2016.

## Background Papers

[Findings Pack.pdf](#)

### Agreed and signed off for publication by:

**Heads of Service:** 10 November 2016  
**Head of Finance:** 14 September 2016  
**Head of Legal:** 11 November 2016

**Contact:** Councillor Mike Fairhurst  
**Title:** Scrutiny Lead for the Economy, Planning, Development and Prosperity Havant Scrutiny and Policy Development Panel  
**Telephone:**  
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## NON-EXEMPT

### HAVANT BOROUGH COUNCIL

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**Cabinet**

**8th February 2017**

**SUBJECT** Revenue & Capital Budget 2017/18 to 2021/22

**Report Of** Head of Finance

**FOR DECISION**

**Portfolio: Leader of the Council**

**Key Decision: Yes**

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#### 1. **Purpose of Report**

1.1 To provide Cabinet with the proposed revenue and capital budget, reserves & Balances, Treasury and Prices for Services for 2017/18.

#### 2. **Recommendation**

2.1 That Cabinet recommend to Council:

- The proposed Revenue & Capital Budgets for 2017/18, including a Council Tax rate of £192.78 at Band D, representing a 0% increase on the current charge and continuing the Council's freeze on its portion of the Council Tax since 2009/10..
- The Treasury Management Strategy and Prudential indicators, and the Prices for Services

### 3. Budget Summary 2017/18

3.1 The 2017/18 summary budget position for next year is as follows:

	<b>Forecast £'000</b>
Estimated service costs for 2017/18	12,956
Other Operating Income & Expenditure	793
Statutory reserve movements	745
<b>Net Budget Requirement</b>	<b>14,491</b>
Council Tax, Business Rates & Grant Funding	(14,491)
<b>(Surplus) / Deficit</b>	<b>-</b>

### 4. Budget Process for 2017/18

4.1 The approach to the 2017/18 budget process has been focused on the creation of a detailed five year financial projection, using the results of the Accounting Period 7 monthly forecast. The budget process has aligned with the production of business plans during the Autumn to ensure that all business plan activities are costed within the budget.

4.2 Draft Business Plans have been agreed and signed off by the relevant Service Heads. The draft budget figures presented have been challenged by the Head of Finance and Directors and represent the cost of delivering those plans.

4.3 The total net cost of delivering business plans in 2017/18, in Appendix A, has been estimated at £12,956,000. After wider, unavoidable corporate costs are added, and contributions to and from statutory reserves are accounted for, the net budget requirement is £14,491,000. The resources available to fund the business plans are £14,491,000.

4.4 It should be noted that the budget is still draft at this stage, and is subject to change. Any material changes will be reported at Council in February.

4.5 The following issues have impacted on the budget process for 2017/18:

- In the provisional settlement announced in December 2016, the provisional reduction in New Homes Bonus was an overall increase in grant funding of £185,000.
- The impact of the financial model of the 5 Councils outsourcing
- Uncontrollable costs such as increases to the cost of pension provision

- Building in more challenging income and cost reduction targets across services

## 5. Funding estimates for 2017/18

- 5.1 **Council Tax:** The budget proposals assume that there will be no increase in Council Tax over the period of the financial strategy. The impact of the freeze is partially offset by an increase in taxbase resulting from housing growth and a slight reduction in the number of Council Tax support claimants.
- 5.2 **Revenue Support Grant and New Homes Bonus:** The provisional settlement announced in December 2016 confirmed anticipated reduction in Revenue Support Grant in line with MTFs projections.
- 5.3 The Government has announced that the support grant mechanism will be replaced by extending the retention of business rates within local government. This is subject to ongoing consultation and the medium term financial strategy will be updated when the results of the consultation are confirmed.
- 5.4 The New Homes Bonus scheme came into effect in April 2011. The provisional settlement suggests Havant will receive estimated grant of £2.01m in 2017/18. This represents an increase of £185,000 over expectation, and results from higher than anticipated property growth. This is despite a change in the scheme design to ensure reward only for exceptional growth and not the natural year on year growth in properties.
- 5.5 **Retained Business Rates:** Since 2013/14, the Council has been allowed to retain a proportion of Business Rates. The budget estimate of £3.6m is based on the Council's final NDR1 return which will be submitted by 31st January.
- 5.6 Measures included in previous autumn statements designed to attract new business, and currently being funded by s31 grant, will continue for 2017/18 are assumed to continue and grant of £656,000 is currently anticipated.

## **6. Medium term projections to 2019/20**

- 6.1 The Council's Medium Term Financial Strategy has been updated using the results of the budget process as a revised base. The medium term projections in Appendix A demonstrate the Council's ambitions for maintaining council tax at current levels and generating income.

## **7. Addressing the Long Term position**

- 7.1 The MTFS is produced on the basis of a commercialisation strategy which includes an investment strategy amounting to £50m over the life of the MTFS.
- 7.2 The financial strategy is based on savings assumptions relating to the 5 Councils outsourcing project and Norse joint venture.
- 7.3 The Council has historically underspent its budget (£1.7m in 2015/16, and current forecast £0.4m anticipated in 2016/17). There is an assumption that the Council will underspend in 2017/18 built into the MTFS.
- 7.4 The combination of the above will ensure that the Council maintains a growing surplus over the period of the medium term strategy.

## **8. Capital Projections 2016/17 to 2018/19**

- 8.1 The capital projections are shown in Appendix B.
- 8.2 Budget managers have been asked to complete outline capital appraisal forms for new projects identified. It is proposed that a Capital Appraisal panel will consider the outline business cases for each new proposal. Those projects that the Capital panel support will be subject to a detailed business case prior to consideration by Cabinet.
- 8.3 The projections also include projects likely to be brought forward from 2016/17's capital programme.

## **9. Use of Reserves 2017/18 to 2021/22**

- 9.1 Appendix C shows the proposed use of reserves between 2016/17 and 2021/22.

## **10. Treasury Management Strategy**

- 10.1 The Treasury Management Strategy has been reviewed and will apply from 1<sup>st</sup> April 2017. The main change to the Treasury Strategy has been to update the borrowing limits to ensure the longer term ambitions of the Council's financial strategy can be met.

## **11. Next steps**

11.1 Following discussion at Cabinet, the budgets will be formally approved, with the Council Tax resolution, at Council in February.

## **12 Appendices:**

- **Appendix A – 5 Year Financial Strategy 2017/18 to 2020/21**
- **Appendix B – Capital programme 2017/18 – 2019/20 and new capital bids**
- **Appendix C – Reserves projection 2016/17 to 2020/21**
- **Appendix D – Business Rates projections 2017/18**
- **Appendix E – Treasury Management Policy 2017/18**
- **Appendix F – Prices for Services 2017/18**
- **Appendix G – CFO Statement**

Appendix A – Financial Projections 2017/18 to 2021/22

**2017/18 PROPOSED BUDGET**

	<b>Operations Directorate</b>	<b>Strategy &amp; Governance Directorate</b>	<b>Commercial Directorate</b>	<b>Whole Council</b>
	£M	£M	£M	£M
Sales - fees and charges	(5.916)	(0.061)	(0.656)	(6.633)
Sales - commercial enterprises	(0.110)	-	(1.246)	(1.356)
Income - specific grants	(1.539)	-	(0.010)	(1.549)
Investment Income & Expenditure			(1.525)	(1.525)
<b>Total Service income</b>	<b>(7.565)</b>	<b>(0.061)</b>	<b>(3.437)</b>	<b>(11.063)</b>
Employees	6.151	1.867	1.317	9.335
Supplies and services	2.770	(0.153)	1.980	4.597
Contract costs	1.848	3.245	4.603	9.696
Agency/Third party costs (net)	(0.313)	-	-	(0.313)
Capital costs	0.152	0.382	0.170	0.704
<b>Total Service costs</b>	<b>10.608</b>	<b>5.341</b>	<b>8.070</b>	<b>24.019</b>
<b>Contribution / (surplus) / deficit</b>	<b>3.043</b>	<b>5.280</b>	<b>4.633</b>	<b>12.956</b>
Other Operating Income & Expenditure				0.791
Minimum Revenue Provision				0.650
Movement in Reserves to Grants & Contributions Unapplied				0.798
Movements in Statutory Reserves				(0.704)
<b>Total other costs and movement in reserves</b>				<b>1.535</b>
<b>Total net expenditure</b>				<b>14.491</b>
Council tax				(7.699)
Council Tax prior year Surplus				(0.025)
Retained business rates				(3.626)
Retained Business Rates prior year Deficit				0.301
Revenue Support Grant				(0.771)
New Homes Bonus				(2.015)
Section 31 Grants				(0.656)
<b>Total Grant, Council Tax &amp; Business Rates Funding</b>				<b>(14.491)</b>
<b>(Surplus) / Deficit</b>				<b>-</b>

Appendix A – Financial Projections 2017/18 to 2021/22

<b>2017/18 PROPOSED BUDGET</b>					
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Sales - fees and charges	(6.633)	(6.582)	(6.725)	(6.707)	(6.777)
Sales - commercial enterprises	(1.356)	(1.206)	(1.276)	(1.347)	(1.419)
Income - specific grants	(1.549)	(1.543)	(1.493)	(1.443)	(1.393)
Investment Income & Expenditure	(1.525)	(2.516)	(3.033)	(3.549)	(4.065)
<b>Total Service income</b>	<b>(11.063)</b>	<b>(11.847)</b>	<b>(12.527)</b>	<b>(13.046)</b>	<b>(13.654)</b>
Employees	9.335	9.231	9.309	9.532	9.600
Supplies and services	4.597	3.817	3.908	3.832	3.841
Contract costs	9.696	10.848	10.368	10.190	9.968
Agency/Third party costs (net)	(0.313)	(0.313)	(0.313)	(0.313)	(0.313)
Capital costs	0.704	0.704	0.704	0.704	0.704
<b>Total Service costs</b>	<b>24.019</b>	<b>24.287</b>	<b>23.976</b>	<b>23.945</b>	<b>23.800</b>
<b>Contribution / (surplus) / deficit</b>	<b>12.956</b>	<b>12.440</b>	<b>11.449</b>	<b>10.899</b>	<b>10.146</b>
Other Operating Income & Expenditure	0.791	0.854	0.923	0.999	1.083
Minimum Revenue Provision	0.650	0.563	0.553	0.524	0.486
Movement in Reserves to Grants & Contributions Unapplied	0.798	0.798	0.798	0.798	0.798
Movements in Statutory Reserves	(0.704)	(0.704)	(0.704)	(0.704)	(0.704)
<b>Total other costs &amp; mvmt in reserves</b>	<b>1.535</b>	<b>1.511</b>	<b>1.570</b>	<b>1.617</b>	<b>1.663</b>
<b>Total net expenditure</b>	<b>14.491</b>	<b>13.951</b>	<b>13.019</b>	<b>12.516</b>	<b>11.809</b>
Council tax	(7.699)	(7.746)	(7.784)	(7.824)	(7.862)
Council Tax prior year Surplus	(0.025)				
Retained business rates	(3.626)	(3.748)	(3.768)	(5.618)	(5.624)
Retained Business Rates prior year Deficit	0.301	-	-	-	-
Revenue Support Grant	(0.771)	(0.290)	-	-	-
New Homes Bonus	(2.015)	(1.643)	(1.450)	-	-
Section 31 Grants	(0.656)	(0.524)	(0.546)		
<b>Total Grant, Council tax and Business Rates Funding</b>	<b>(14.491)</b>	<b>(13.951)</b>	<b>(13.548)</b>	<b>(13.442)</b>	<b>(13.486)</b>
<b>(Surplus) / Deficit</b>	<b>-</b>	<b>-</b>	<b>(0.529)</b>	<b>(0.926)</b>	<b>(1.677)</b>

# HAVANT BC Capital Programme Estimates 2017/18 to 2019/20

## APPENDIX B

### Proposed Capital Programme

Project	Brief Description of the project	Contact Officer	Business Case Agreed by Cabinet?	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
				Project Cost £000	Project Cost £000	Project Cost £000	Internal Funding £000	Internal Funding £000	Internal Funding £000	External Funding £000	External Funding £000	External Funding £000	Borrowing £000	Borrowing £000	Borrowing £000
<b>2017/18 New Schemes identified</b>															
Replacement of Noise Monitoring Equipment	Equipment allows the Council to serve legal notices and undertake criminal prosecutions. The current equipment is nearly life expired	David Fitzgerald	N	22			(22)								
Business Hub	Development of phase one of the commercial premises. Site investigation works are required to determine the extent of the site that is developable	Dan Grindey	N	1,000	1,000	1,000							(1,000)	(1,000)	(1,000)
Havant Leisure Centre - Lifecycle works 2017/18	Various capital works as determined annually based on the latest information and need.	Peter Gammage	N	285			(285)								
Processing and Management System	Replacement of HBC Accolaid system to provide a new IT system for the planning team that will enable the service to realise its ambitions for future working.	Andrew Biltcliffe	N	200			(200)								
Asset Maintenance management system	Asset Survey Database - ability to keep records of assets that need maintenance to enable clear and consistent live tracking of works completed and outstanding	Stuart Wood	N	75			(75)								
Neighbourhood Quality Fleet Replacement	Replacement of three life expired vehicles with two new ones.	Tim Pointer	N	23			(23)								
				<b>1,605</b>	<b>1,000</b>	<b>1,000</b>	<b>(605)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>
<b>Schemes Brought Forward from 2016/17</b>															
DFGs	To fund adaptations in homes	Nicky Thomas	Y	800	800	800				(800)	(800)	(800)			
Animal warden vehicle	Animal Welfare and Licensing vehicle is life expired and requires replacement.	Nicky Thomas	N	21			(21)								
Acolaid	Acolaid / Lalpac database replacement for HBC to improve Environmental Health and Licensing Function	Lorna Palmer	TBC	58			(58)								
New allotments	To identify suitable land and construct new allotment(s).	Claire Hughes	Y	135						(135)					
Refurbishment of HBC equipped play areas	To refurbish HBC owned equipped playgrounds that are coming to the end of their useful life.	Claire Hughes	Y	75						(75)					
New Cemetery in MDA	To provide a new cemetery on land allocated within the MDA west of Waterlooville	Andrew Pritchard	Y	418						(418)					
Replacement DMS solution – Community, Transport, Property	DMS solution to replace meridio and provide DMS services for small services such as community, transport, property and Information Management.	Craig Richards & Andrew Biltcliffe	N	60			(60)								
Personalisation	Capital element of the transformation of the delivery of services to customers.	Dawn Adey	N	150			(150)								
External poster frames	Purchase and installation of 36 poster frames across Havant Borough, as a medium for the circulation of campaign content to residents.	Sandy Wilson	N	61			(61)								
Front Lawn	Redevelopment of sports pitches at Front Lawn	Richard Wood	Y	800						(800)					
				<b>2,578</b>	<b>800</b>	<b>800</b>	<b>(350)</b>	<b>0</b>	<b>0</b>	<b>(2,228)</b>	<b>(800)</b>	<b>(800)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>				<b>4,183</b>	<b>1,800</b>	<b>1,800</b>	<b>(955)</b>	<b>0</b>	<b>0</b>	<b>(2,228)</b>	<b>(800)</b>	<b>(800)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>
<b>Capital Requiring Financing</b>							4,183	1,800	1,800						
<b>External Funding</b>							(2,228)	(800)	(800)						
Amount to be internally borrowed							0	0	0						
Use of non S106/CIL HBC Reserves							(77)	0	0						
S106/CIL funding							(878)	0	0						
External Borrowing							(1,000)	(1,000)	(1,000)						
<b>Total Funding</b>							<b>(4,183)</b>	<b>(1,800)</b>	<b>(1,800)</b>						



## Analysis of Reserve Balances

	Projected 1718 Opening Balance £'000	Capital Grants and Cont'n Received £'000	Cont'n to Capital Programme 2017/18 to 2019/20 £'000	Expected use of reserves 2017/18 £'000	Expected use of reserves 2018/19- 2021/22 £'000	Closing Balance 2021/22 £'000
<b>General Fund</b>	<b>(6,668)</b>	-	-	-	(3,132)	<b>(9,800)</b>
<b>Statutory Reserves</b>						
Capital Receipts Reserve	(99)	-	77	-	-	(22)
Capital Grants and Contributions Unapplied	(622)	-				(622)
Community Infrastructure Levy & Developer Contributions Unapplied	(2,873)	(3,800)	878	-	-	(5,795)
<b>Earmarked Reserves</b>						
General Fund Earmarked	(1,123)	-	-	-	-	(1,123)
Insurance Reserve	(653)	-	-	-	-	(653)
Capital Reserve	(1,007)	-	-	-	-	(1,007)
Transformation Reserve	(1,114)	-	-	-	-	(1,114)
<b>Total</b>	<b>(14,159)</b>	<b>(3,800)</b>	<b>955</b>	<b>-</b>	<b>(3,132)</b>	<b>(20,136)</b>

## Analysis of Business Rates Income & Expenditure

	<b>Projected Outturn 2016/17 £'000</b>	<b>Budget Estimate 2017/18 £'000</b>
<b>Business Rates Yield</b>		
Base Yield	(34,623)	(35,626)
Transitional protection payment	290	925
<b>Business Rates Yield</b>	<b>(34,333)</b>	<b>(34,701)</b>
<b>Distribution</b>		
Central Government (0.50)	17,375	17,351
Hampshire County Council (0.09)	3,127	3,123
Hampshire Fire (0.01)	347	347
Havant Borough baseline (0.4)	13,899	13,880
Total	<b>34,748</b>	<b>34,701</b>
Reallocation of prior yr balance – HBC	167	(301)
Reallocation of prior yr balance – Other major preceptors	250	(450)
<b>Total Distribution</b>	<b>35,165</b>	<b>33,950</b>
<b>Collection Fund (Surplus)/Deficit B/Fwd</b>	<b>(81)</b>	<b>751</b>
<b>In year movement on collection fund</b>	<b>832</b>	<b>(751)</b>
<b>Collection Fund C/Fwd</b>	<b>751</b>	<b>-</b>

<b>Havant Borough Council</b>		
<b>Retained Business Rates Calculation</b>	<b>Actual £'000</b>	<b>Actual £'000</b>
Havant Borough Council baseline	(13,899)	(13,880)
Tariff paid to Central Government	9,844	9,167
Levy for safety net paid to Central Government	740	1,087
<b>Retained Business Rates</b>	<b>(3,315)</b>	<b>(3,626)</b>
Section 31 Grants	(504)	(656)
Retained Business Rates prior year deficit	(167)	301
<b>Total Business Rates Retention</b>	<b>(4,369)</b>	<b>(3,981)</b>

## Appendix E

### Treasury Management Strategy, Minimum Revenue Provision Strategy and Annual Investment Strategy

- 1. The CIPFA Treasury Management Code of Practice**
  - 1.1 The Treasury Management and Investment Strategy has been set in accordance with the CIPFA Treasury Management Code of Practice 2011 and the revised Prudential Code for Capital Finance 2011.
  - 1.2 The Council is required to approve a Treasury Management Strategy which establishes the investment and borrowing activities for the Council. The Council's approach to Treasury Management is in accordance with the CIPFA Code of Practice, which requires a 3 year strategy to be agreed annually.
  - 1.3 The Prudential Code for Capital requires the Council to set Prudential Indicators for Treasury Management and Capital Expenditure. These are linked to the Strategy and are set out at the end of this document.
  - 1.4 The Council is also required to make an annual Policy statement on making Minimum Revenue Provision (MRP) for borrowing, together with the consideration of prudent provision in future financial years. The Council has not formally adopted an MRP Policy to date.
  - 1.5 The Council delegates responsibility for the monitoring and scrutiny of treasury activity to the Governance & Audit Committee, and delegates responsibility for implementing and administering the strategies, policy and procedures to the Chief Finance Officer. The Council also seeks external advice from Capita on management of long term investments. Future provision of treasury and property advice is under review as the Finance function is outsourced in 2017 and as part of the property strategy review.
- 2. Treasury Management Policy 2017/18**
  - 2.1 The Council's ambition to acquire property sites for strategic, operational and investment purposes will move the Authority into a net borrowing position during 2017/18. The proposed policy for managing borrowing to finance such expenditure is to borrow short term, and monitor interest rates closely in order to switch to longer term fixed rate borrowing where analysis of market rates suggests this may be appropriate. The Council will also investigate the use of the Public Works Loan Board for operational asset investments, to reduce exposure to interest rate increases in the future.
  - 2.2 Property acquisitions prior to 2017/18 have been financed through surplus cash. However, this cash is intended to support reserves and General Fund in the longer term and the minimum liquidity has now been reached.

## Appendix E

- 2.3 Current market indications suggest that there will be no base rate increases in the short term as the Bank of England seek to mitigate the impact of the UK's exit from the European Union. However, the swap rates on which bank borrowing will build in expectations of future increases and therefore the borrowing rates achieved may be greater than the base rate.

### **Economic Factors**

- 2.4 Factors that influence the Council's Treasury Management Strategy include the Council's overall level of resources, medium term spending plans and the need to finance the future cost of services. It is also influenced by the state of the economy in general, the outlook for interest rates and the credit risk environment.
- 2.5 The Treasury strategy is linked to the Council's medium term financial plans, and are reflected in a net interest cost or yield in the Council's budget. The net cost/yield estimates are updated regularly through the budget setting process and in year forecasting.
- 2.6 The Council's investment strategy gives scope to invest in approved instruments outlined in the approved lending/borrowing list (Schedule 3), but investments in banks and building societies are limited to high quality counterparties only.

### **Prudential Indicators**

- 2.7 The Prudential Indicators were established as part of the Local Government Act 2003 through the Prudential Code. The Code requires the Council to produce indicators to demonstrate that capital financing is prudent, sustainable and affordable. The indicators are set out at the end of this document.

### **MRP Policy**

- 2.8 The Council is required to calculate an amount in relation to its borrowing, and charge this amount as Minimum Revenue Provision to its Income & Expenditure Account in respect of borrowing repayment. The Policy is set out at Schedule 4 to the Treasury Management Strategy.

### **Officer Approval Limits**

- 2.9 The Chief Financial Officer, in consultation with the Executive Board, Asset Management Group Leader, and the Leader/Deputy Leader, will have authority to sign off property purchases up to the value of £10m, in line with a framework approved by Cabinet..

### **Risk Management**

## Appendix E

- 2.10 Minimising risk is a key aspect of treasury management activity. Risk is proactively managed with advice from Capita and property investment decisions are subject to detailed business cases. As the Council moves towards a net borrowing position, interest rate exposure is an emerging risk and the timing of any move from short to long term borrowing is closely monitored.
- 2.11 The Finance Team carry out their duties in accordance with internal controls to ensure any day to day investment decisions are made in accordance with the Treasury Management Strategy.
- 2.12 The CFO reports on Treasury activity as part of the monthly financial monitoring.
- 2.13 The Governance & Audit Committee will be responsible for the scrutiny of Treasury Management activity & practises.

### **SCHEDULE 1 – TREASURY MANAGEMENT STRATEGY**

The Authority has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition (the CIPFA Code), which requires the Authority to approve a treasury management strategy before the start of each financial year. In addition, the Department for Communities and Local Government (CLG) issued revised Guidance on Local Authority Investments in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.

This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance. The Authority is proposing to borrowed substantial sums of money and, as a result, may be exposed to financial risks arising from changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

#### **Havant Borough Council's context**

Havant Borough Council anticipates that, by 31 March 2017, £5m will be invested short term, and no long term deposits maturing beyond 12 months There was external borrowing in place as at January 2017 of £3.7m, which represents the balance of PWLB borrowing for the refurbishment of the Plaza.

The underlying need to borrow is measured by the Council's Capital Financing Requirement (CFR). The CFR is anticipated to increase as a result of the Council's desire to build its investment property portfolio over the period of the Medium Term Financial Strategy. The Prudential Code recommends that total debt should be lower than the CFR and the Prudential Indicators at schedule 2 demonstrates that this recommendation has been complied with.

#### **Borrowing Strategy**

The Council will adopt a flexible approach to borrowing in consultation with Treasury Management advisors, and will keep under review the following borrowing sources:

- Internal borrowing (borrowing against future revenue budgets)
- PWLB
- Other Local Authorities
- Finance Leasing
- Brokers for short term borrowing

Exposure to short dated/variable rate borrowing will be reviewed by reference to the difference between variable rate and longer term borrowing costs. A significant change in this difference will trigger a review of borrowing strategy to

## Appendix E

determine whether a switch to longer term rates is made or whether exposure to short term rates is maintained.

Capital Finance can also be raised through other debt liabilities, including Finance Leases, Private Finance Initiatives, Sale & Leaseback, or LGA Bonds. Any decision to raise finance through these methods will be subject to appraisal and a separate report to Cabinet.

The Council may take advantage of debt rescheduling (the repayment of loans before maturity to allow replacement with new loans) where it is expected to create a cost saving or significantly reduce interest rate risk to the Council.

### Investment Strategy

The Council's overriding objective in relation to the investment of cash is the security of the capital invested, followed by the liquidity of investment. The Council aims to maximise yield given these parameters.

Investments are categorised as specified or non specified investments. Specified investments are sterling denominated investments maturing under 1 year, and non specified investments are effectively anything else.

The CFO has discretion to make investments outside of the Lending list on the advice of Capita. Institutions may be added or removed from the list if credit ratings improve or deteriorate below the thresholds outlined on the List.

Overnight funds are held in an overnight fund provided by the Council's bank. Consideration will be given to Money Market Funds in 2017/18 as an alternative to the overnight account, and may be utilised if the CFO is satisfied with the level of risk.

The Council will arrange short term investments through brokers, in order to ensure transactional security and to promote competition to enhance returns. The approved brokers are:

- ICAP Europe Ltd
- Prebon Marshall Yamane UK Ltd
- Tradition UK
- RP Martin

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### Interest Rate Forecasts

The Council formulates a view on interest rates as part of the budget setting process. This view is formulated on the basis of the Office for Budgetary Responsibility forecasts used for the Autumn Statement. The view is that interest rates are likely to remain static for at least one year, and that increases beyond this would be incremental. Although there are inflationary pressures, there is also uncertainty as to how Brexit negotiations will affect the wider economy. This view is supported by forecasts obtained from the Centre for Economics and Business Research, who anticipate no base rate increases until the end of 2017. The table below details interest rate forecasts provided.

	2017/18				2018/19			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
OBR Forecast	0.25%	0.25%	0.25%	0.25%	0.5%	0.5%	0.75%	0.75%
Centre for Economics & Business Research	0.25%	0.25%	0.25%	0.25%	0.25%	0.5%	0.5%	0.75%

It is important to note that although the base rate has reduced, the rates that we can get on our investments are based on the London Inter bank Offer rate, which fluctuates depending on other market factors. This explains the differing rates of return of our current investment portfolio.

### Creditworthiness Policy

The Council monitors the creditworthiness of the counterparties used. The Council's lending list contains only counterparties of high credit quality. Credit quality is assessed through the size of the asset base of the counterparty, and the credit ratings awarded by independent credit rating agencies such as Fitch.

The asset base of counterparties is monitored on an annual basis when the Statement of Accounts for each counterparty is issued. Credit ratings are regularly monitored and are verified prior to investments being made.

Credit ratings of counterparties are available from credit agencies (Fitch, Standard & Poor, and Moody's). Advice on the credit worthiness of counterparties is also obtained from the Council's Treasury advisors.

If a counterparty on the current lending list is found to be of insufficient credit quality, the Council will not engage with that counterparty until it is satisfied that credit quality has improved. Treasury officers continue to monitor counterparties



## Appendix E

that are not currently on the lending list, and will add counterparties of high credit quality to the lending list in consultation with the Portfolio Holder for Finance.

The Council has not invested outside the United Kingdom since 2006, and currently no foreign counterparties are contained within the list (with the exception of Santander UK Plc, which is a UK bank under Spanish ownership). Foreign counterparties are monitored, and if sufficient credit quality is proved, may be added to the list in consultation with the Portfolio Holder for Finance.

Sole reliance will not be placed on credit ratings. The Council will continue to monitor reports in the press, market data and information on government support when reviewing credit worthiness. All counterparties on the long term lending list are also covered by the government's Credit Guarantee Scheme.

All Long Term Investments will be carried out in consultation with the Finance Portfolio Holder and the S151 Officer.

### **Treasury Limits and Prudential Indicators 2015/16 to 2021/22**

The revised CIPFA Code of Practice on Treasury Management and the Prudential Code for Capital Finance, in accordance with Section 3 of the Local Government Act 2003, require the Council to determine and review the level of borrowing that it can afford.

The Codes require a number of indicators to be formally set, on a rolling basis, for 2016/17 and the following two years. The Council must have regard to the following when setting these indicators:

- Service Objectives
- Stewardship of Assets
- Value for Money
- Prudence and Sustainability
- Affordability and Practicality

The purpose of these indicators is to ensure that total capital investments and, in particular, the effect of these investments on the Council Tax level is 'acceptable'.

The Prudential Indicators set for 2017/18 are shown in Schedule 2 below. An explanation is provided for each indicator.

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### SCHEDULE 2 - PRUDENTIAL INDICATORS

#### 1) Ratio of Financing Costs to Net Revenue Stream

The actual ratio for 2015/16, and estimated ratios for 2016/17 to 2021/22 are provided below.

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
£000s	£000s	£000s	£000s	£000s	£000s	£000s
5.98%	5.19%	3.64%	6.77%	10.17%	13.35%	16.40%

The ratio is calculated by comparing the financing cost of all borrowing with the revenue stream through Council Tax, general grants and Retained Business Rates. It turns positive as the level of borrowing increases by £10m year on year while government and tax revenues reduce. The cost of finance associated with this borrowing is more than covered by the revenues attached to investment income at an expected net yield of 5%.

#### 2) Estimated Incremental Impact of Capital Investment Decisions on Council Tax

Capital expenditure will impact on revenue expenditure in a number of ways, for example, new buildings requiring maintenance that was not previously budgeted. The main impact is on interest returns, as investments are used up and interest income falls. The purpose of this indicator is to show the potential annual impact on a Band D Council Tax bill of the proposed Capital Programme for 2017/18 onwards.

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
£000s	£000s	£000s	£000s	£000s	£000s	£000s
£1.57	£1.68	£2.82	£3.95	£4.94	£2.09	£2.18

#### 3) Approved Capital Expenditure

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The Capital Expenditure estimates are summarised below. The estimates come from approved schemes in the Capital Budget, which is to be agreed by Council in February 2017.

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
£000s	£000s	£000s	£000s	£000s	£000s	£000s
1,393	2,227	4,183	1,800	1,800	1,500	1,500

### 4) The Capital Financing Requirement

The Capital Financing Requirement (CFR) is used to assist in deciding whether capital expenditure is affordable, by measuring the underlying need to borrow. The indicator is calculated by matching fixed assets and projected capital expenditure to capital resources applied. The difference between the two, if positive, represents unfinanced capital expenditure to be financed by borrowing. The definition of unfinanced capital expenditure includes finance leases and PFI arrangements. Long Term borrowing should not exceed the CFR.

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
£000s	£000s	£000s	£000s	£000s	£000s	£000s
10,500	9,100	19,500	29,900	40,200	49,500	58,700

The Capital Financing Requirement (CFR) increases significantly in the next five years as a result of investment property purchases.

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### 5 ) Authorised Limit for External Debt

To ensure good cashflow management, there is occasionally a need to borrow in the short term. Authority for any such borrowing is delegated to the S151 Officer. There are some circumstances where long term borrowing to support the Capital Programme is required to finance major capital projects or investment property purchases. The long term limits set in this report are based on the projected Capital Financing requirement over the period of the Medium Term strategy, and will be the maximum permissible amount of borrowing.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Authorised limit - borrowing	10,000	10,000	19,500	29,900	40,200	49,500	58,700
Authorised limit - long term liabilities	500	500	500	500	500	500	500

### TREASURY MANAGEMENT INDICATORS

#### 1) Operational Boundary for External Debt

The purpose of this indicator is to serve as a warning that the authorised limit for external debt is close. It has been set at £200,000 below the authorised limit.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Operational boundary for external debt	8,000	8,000	19,300	29,700	40,000	49,300	58,500
Operational boundary - long term liabilities	300	300	300	300	300	300	300

## Appendix E

### 2) Interest Rate Exposures

Setting upper limits for variable and fixed interest rates provides a range in which the authority manages exposure to fixed and variable interest rates. Although fixed rates bring security to long term returns, variable rate investments can give the flexibility to maximise returns when interest rates are expected to increase. The indicators set will allow this flexibility.

#### Upper Limit for Fixed Rate Exposure

2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
100%	100%	100%	100%	100%	100%	100%

#### Upper Limit for Variable Rate Exposure

2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
100%	100%	100%	100%	100%	100%	100%

## Appendix E

### Schedule 3 - Borrowing and Lending List 2017/18

Sector Credit Rating	Institution	Maximum duration	Maximum amount (applies to group as well as individually)
	<b>RBS Group</b>		
Green	Royal Bank of Scotland	100 Days	Lower of £3 million or half of total investments
Green	National Westminster Bank	100 Days	Lower of £3 million or half of total investments
	<b>Lloyds Group</b>		
Red	Bank of Scotland	6 months	Lower of £5 million or half of total investments
Red	Lloyds Bank	6 months	Lower of £5 million or half of total investments
	<b>Other Institutions</b>		
Red	HSBC Bank	6 months	Lower of £5 million or half of total investments
Red	Standard Chartered Bank	6 months	Lower of £5 million or half of total investments
Red	Barclays	6 months	Lower of £5 million or half of total investments
Green	Santander	100 Days	Lower of £3 million or half of total investments
Blue	Close Brothers	364 Days	Lower of £5 million or half of total investments
	<b>Building Societies</b>		
Green	Nationwide Building Society	100 days	Lower of £3 million or half of total investments
Red	Coventry Building Society	6 months	Lower of £5 million or half of total investments
Red	Leeds Building Society	6 months	Lower of £5 million or half of total investments
Green	Abbey National Treasury Services	100 Days	Lower of £3 million or half of total investments
Red	Clydesdale Bank	6 months	Lower of £5 million or half of total investments
Green	Co-operative Bank	100 Days	Lower of £3 million or half of total investments
Blue	Goldman Sachs International Bank	364 Days	Lower of £5 million or half of total investments
Blue	UBS	364 Days	Lower of £5 million or half of total investments
Red	Nottingham	6 months	Lower of £5 million or half of total investments
Blue	Principality	364 Days	Lower of £5 million or half of total investments
Green	Skipton	100 Days	Lower of £3 million or half of total investments
Blue	West Bromwich	364 Days	Lower of £5 million or half of total investments
Blue	Yorkshire	364 Days	Lower of £5 million or half of total investments

**Supplementary to the above, investments may be placed under the following criteria:**

**NatWest Call Account** - Up to £5 million may be invested in the National Westminster SIBA account subject to the group maximum and the 50% rule (BLUE rated)

**Central Government** - Unlimited investments may be placed in the government's Debt Management Office

**Local Authorities** - Up to £5 million may be invested with any other Local Authority subject to the group maximum and 50% rule (assuming a RED rating for all LAs)

**NO INVESTMENT IS CURRENTLY UNDERTAKEN WITH FOREIGN BANKS.**

### **Schedule 4 – Minimum Revenue Provision Policy 2017/18**

#### **MRP on Finance Leased assets prior to 2017/18**

The Council holds assets which are financed through a Finance Lease, as defined by International Financial Reporting standards. Where assets are financed in this way, MRP is charged over the life of the asset or, where this is not practical, over the life of the lease.

#### **Prudential Code debt incurred prior to the year 2017/18 and onwards in relation to operational assets**

The Council will calculate the amounts for existing external borrowing using the annuity method, and for existing internal borrowing using the Depreciation method, whereby provision is made in accordance with the standard rules for depreciation accounting, until provision made equals the original amount of debt

#### **Prudential Code debt incurred in the year 2017/18 and onwards in relation to income generating property acquisitions**

The Council will calculate the amounts for MRP for 2017/18 by applying a annuity formula incorporating a PWLB long-term borrowing rate, commensurate in duration to the estimated life of the item purchased/built to the apportionment of the value attributed to each financial year's opening CFR in relation to such income generating capital expenditure where the item purchased/built is expected to have a life of up to 50 years or more.

#### **Prudential Code debt incurred in the year 2017/18 onwards in relation to Operational assets**

The Council will apply the following methodology for MRP in relation to operational assets:

- Borrowing where capital receipts are expected to repay borrowing prior to the project becoming operational; MRP will be charged in the year in which capital receipts are received
- Annuity method Asset life - Annuity method, which works on the basis of a mortgage type repayment. (MRP Commencement on operational properties can be postponed until the financial year after asset becomes operational)
- Internal Borrowing; MRP repayment on internal borrowing will be offset against savings or income generated in the Income & Expenditure Account as a direct result of the investment. Repayment schedules will be confirmed prior to internal borrowing commencing.

## Havant Borough Council

### Schedule of Fees 2017/18

	Price 16/17 £	Price 17/18 £	% Change
<b>Customer Services</b>			
<b>Elections</b>			
Basic Electoral Register Edited Data	1.50	1.50	0.0%
Basic Electoral Register Full Data	1.50	1.50	0.0%
Marked Electoral Register - Data	1.00	1.00	0.0%
Basic Electoral Register Edited Paper	5.00	5.00	0.0%
Basic Electoral Register Full Paper	5.00	5.00	0.0%
Marked Electoral Register - Paper	2.00	2.00	0.0%
Certificate of Residency	5.00	5.00	0.0%
Electoral Register - Monthly updates	38.00	38.00	0.0%
<b>Environmental Services</b>			
<b>Allotments</b>			
Allotment - Replacement key	10.50	10.50	0.0%
Allotment per Sq Metre	0.36	0.37	2.8%
Allotment per Sq Metre - non resident	0.72	0.74	2.8%
<b>Beach Huts</b>			
Beach Hut Let (non-Resident)	1,600.00	1,700.00	6.3%
Beach Hut Let (Resident)	800.00	850.00	6.3%
Beach Hut Plot Licence Fee (Non-Resident)	1,050.00	1,200.00	14.3%
Beach Hut Plot Licence Fee (Resident)	525.00	600.00	14.3%
Beach Hut Plot Transfer of Licence	-	1,200.00	NEW
<b>Sports</b>			
Bowls - per person	7.20	7.30	1.4%
Bowls - per person senior citizen	5.60	5.60	0.0%
Cricket Pitch (Senior 18+) full facilities with attendant	194.00	194.00	0.0%
Cricket Pitch (Senior 18+) full facilities without attendant	133.00	133.00	0.0%
Football Pitch (Senior 18+) full facilities with attendant	84.00	84.00	0.0%
Football pitch - Professional Clubs or non residents	POA	POA	
Football, rugby & cricket pitch (Junior <18) full facilities with attendant	44.00	44.00	0.0%
Hockey/Volleyball (Senior 18+)	-	-	
Rugby Pitch (Senior 18+) full facilities with attendant	84.00	84.00	0.0%
Slipway - Key Deposit (Refundable)	-	75.00	
<b>Parks &amp; Grounds</b>			
Non profit making charitable events	Free	Free	
All other events and uses of public open spaces	POA	POA	
Pavilion/Clubhouse for non-match occasions	16.00	16.00	0.0%
Circuses and funfairs non-trading day	300.00	300.00	0.0%
Circuses and funfairs trading day	600.00	600.00	0.0%
<b>Refuse &amp; Recycling</b>			
<b>Garden Waste Licenses (applied for before 28 February 2017)</b>			
Early Bird - per sack (70 litre)	30.00	30.00	0.0%
Early Bird - 1 bin (140 Litre)	40.00	40.00	0.0%
Early Bird - 1 bin (240 Litre)	60.00	60.00	0.0%
<b>Garden Waste Licenses (applied for after 1 March 2017)</b>			
Garden Waste Licence - 1 sack	32.00	32.00	0.0%
Garden Waste licence 140 litre wheeled bin - full yr, 1 bin	42.00	42.00	0.0%
Garden Waste licence 240 litre wheeled bin - full year, 1 bin	62.00	62.00	0.0%
<b>Bins &amp; Sacks</b>			
Purchase of additional or replacement wheeled bins- 140 litre	27.00	35.00	29.6%
Purchase of additional or replacement wheeled bins- 240 litre	32.00	40.00	25.0%
Replacement Garden Waste sack	5.00	5.00	0.0%
<b>Bulky Waste</b>			
Hire of bulk waste bin for domestic use - 660l	145.00	150.00	3.4%
Hire of bulk waste bin for domestic use - 940l	150.00	155.00	3.3%
Hire of bulk waste bin for domestic use - 1100l	160.00	165.00	3.1%
Household Bulky Waste Price per item	29.00	30.00	3.4%
Household Bulky Waste oversized item	39.00	45.00	15.4%
Household Bulky Waste - per cubic metre (Max 4 Cubic Metres)	52.00	55.00	5.8%



	Price 16/17 £	Price 17/18 £	% Change
<b>Cemeteries</b>			
1. Person under 12 years.	No charge	No Charge	
2. Persons of 12 years and over		-	
a. New grave (single or double)	785.00	850.00	8.3%
b. Re-open existing double depth grave	585.00	610.00	4.3%
3. Children's Section			
Exclusive Right of Burial/earthen grave(including certificate):	-	-	
a. 30 years	250.00	250.00	0.0%
b. Five-year top-up fee	35.00	35.00	0.0%
4. Adult Section			
Exclusive Right of Burial/earthen grave (including certificate)	-	-	
a. 30 years	550.00	650.00	18.2%
b. Five-year top-up fee	70.00	100.00	42.9%
5. Interment of cremated remains	225.00	250.00	11.1%
6. To transfer exclusive right of burial.	40.00	40.00	0.0%
7. Right to erect a memorial in accordance with regulations including inscription, additional inscription, wedges, books, kerbs etc, for 10 years	120.00	150.00	25.0%
8. Right to place a stone vase - one per interment (maximum of two) or other approved additions to existing memorial	55.00	60.00	9.1%
9. Memorial + full kerb set (Havant Cemetery only)	150.00	175.00	16.7%
10. Replacement of existing kerbing / memorial in traditional areas	125.00	125.00	0.0%
11. Exhumation of remains	At cost	At cost	
12. Interment of cremated remains	225.00	250.00	11.1%
13. In Old Garden of Rest (Tablets only area/max. two interments)			
a. Interment of Cremated remains (First Casket) + 30 year Exclusive Right of Burial.	315.00	400.00	27.0%
b. Exclusive Right of Burial for 30 years (where no interment takes place)	180.00	200.00	11.1%
c. Five-year top-up admin fee	35.00	50.00	42.9%
d. Right to place a plaque/cut an additional inscription	35.00	50.00	42.9%
e. Interment of additional casket in an occupied space	190.00	250.00	31.6%
14. New Garden of Rest (Section 3, max. four interments)			
a. Exclusive Right of Burial (including certificate) for burial of four caskets of cremated remains – 30 years	220.00	250.00	13.6%
b. Right to erect a memorial for ten years (including certificate) in accordance with regulations - 10 years	120.00	150.00	25.0%
c. Burial of subsequent cremated remains up to a maximum of four in any one plot	225.00	250.00	11.1%
15. Natural Burial Area (Warblington Extension Only)			
a. Persons under 16 (see previous)	No charge	No Charge	
b. Single depth grave only (includes chip for identification)	735.00	735.00	0.0%
c. Interment of Ashes no casket	225.00	250.00	11.1%
d. Contribution to planting in natural burial area (not for specific burial	-	-	
Memorial Cleaning	-	20.00	NEW
Memorial Plaques	-	200.00	NEW

	Price 16/17 £	Price 17/18 £	% Change
<b>Neighbourhood Support</b>			
<b>Enforcement</b>			
Littering fines	75.00	80.00	6.7%
Littering fine - failure to give name and Address	75.00	80.00	6.7%
Flytipping fine	-	200.00	NEW
Flyposting fines	75.00	80.00	6.7%
Graffiti fines	75.00	80.00	6.7%
Abandoned Vehicles fine	200.00	200.00	0.0%
Nuisance Parking fine		100.00	NEW
Failure to produce waste transfer note fine	300.00	300.00	0.0%
Domestic Waste receptacle offences fines	75.00	80.00	6.7%
Industrial and commercial waste receptacle offences fines	75.00	80.00	6.7%
<b>Licensing</b>			
<b>Hackney Carriage &amp; Private Hire Vehicles</b>			
Accessories - Number plate bracket	11.00	11.00	0.0%
Accessories - Pair of pouches	3.00	3.00	0.0%
Accessories - Universal bracket	5.50	5.50	0.0%
Committee grant of 1 year Operator licence	125.00	137.00	9.6%
Exemption Certificate	50.00	50.00	0.0%
Hackney Carriage Licence/transfer (inc Plate)	205.00	205.00	0.0%
Hackney Carriage Meter Test	12.00	12.00	0.0%
Hackney/PHV Drivers Licence - Committee Grant	186.00	-	
Hackney/PHV Drivers Licence Initial 3 Year	110.00	110.00	0.0%
Knowledge Test	40.00	45.00	12.5%
Operator Licence additional Address	435.00	448.00	3.0%
Operator Licence Initial/5 Year renewal	435.00	448.00	3.0%
Pre application vehicle mechanical inspection	89.00	90.00	1.1%
Private Hire Vehicle Licence (Inc Plate)	150.00	150.00	0.0%
Replacement - Copy Licences(where permitted)	15.00	15.00	0.0%
Replacement - Identification Card	17.00	17.00	0.0%
Replacement - Vehicle Licence Plate	20.00	20.00	0.0%
Special vehicles and limousines mechanical inspection	134.00	135.00	0.7%
Vehicle Inspection failure to keep appointment	45.00	45.00	0.0%
Vehicle Mechanical inspection on application	89.00	90.00	1.1%
Vehicle Mechanical subsequent re-inspection	48.00	50.00	4.2%
<b>Gambling Act 2005</b>			
Adult gaming centre	800.00	800.00	0.0%
Betting premises (non track)	480.00	480.00	0.0%
Bingo premises	800.00	800.00	0.0%
Family Entertainment Centre	400.00	400.00	0.0%
Social Lotteries – new	40.00	40.00	0.0%
Social Lotteries – renewal	20.00	20.00	0.0%
<b>Licensing Act 2003</b>			
Personal licence		Statutory fees; see	
Premises licence		<a href="http://www.havant.gov.uk/law-and-licensing/licence-fees">www.havant.gov.uk/law-and-licensing/licence-fees</a>	
Temporary event notice			
<b>Street Trading consents</b>			
Street Trading Licence 6 month consent (Min £600)	5.00	5.00	0.0%
Street Trading Licence annual consent (Min £1000/Max £1800)	5.00	5.00	0.0%
Temporary Street trading - Daily	120.00	120.00	0.0%
Temporary Street trading - Mon-Sat	550.00	550.00	0.0%
<b>Other licence fees</b>			
Control of Sex Establishments Licence Fee	4,400.00	4,400.00	0.0%
Dangerous Wild Animals Licence	96.00	96.00	0.0%
Animals boarding Establishment Act 1963	115.00	115.00	0.0%
Breeding of Dogs Act	115.00	115.00	0.0%
Pet Animals Act 1951	100.00	100.00	0.0%
Riding establishments Licence	167.00	167.00	0.0%
Skin Piercing Registration	115.00	115.00	0.0%
Zoo Licences Act 1981	272.00	272.00	0.0%

	Price 16/17 £	Price 17/18 £	% Change
<b>Scrap Metal dealer Act 2013</b>			
Collectors Licence	110.00	110.00	0.0%
Site Licence	260.00	260.00	0.0%
Vary from Collectors to Site Licence	180.00	180.00	0.0%
Other variations (Site to Collectors, change of name or address)	30.00	30.00	0.0%
<b>Pest Control</b>			
Agricultural	84.00	84.00	0.0%
Bed Bugs - Domestic	52.00	52.00	0.0%
Bed Bugs - Domestic Concessionary	-	-	
Cockroaches - Commercial	84.00	84.00	0.0%
Cockroaches - Domestic	52.00	52.00	0.0%
Cockroaches - Domestic Concessionary	-	-	
Rats - Commercial and Other Premises	84.00	84.00	0.0%
Rats - Commercial and other Premises - Additional re-visits as required.	84.00	84.00	0.0%
Rats - Domestic	38.00	38.00	0.0%
Rats - Domestic Concessionary	-	-	
Fleas - Commercial and Other Premises	84.00	84.00	0.0%
Fleas - Domestic (1-3 bedrooms)	52.00	52.00	0.0%
Fleas - Domestic (4-6 bedrooms)	84.00	84.00	0.0%
Fleas - Domestic Concessionary (1-3 bedrooms)	26.00	26.00	0.0%
Fleas - Domestic Concessionary (4-6 bedrooms)	42.00	42.00	0.0%
Wasps - Commercial and Other Premises	72.00	72.00	0.0%
Wasps - Domestic	68.00	68.00	0.0%
Wasps - Domestic Concessionary	34.00	34.00	0.0%
<b>Private Sector Housing</b>			
British Entry Clearance (Housing Inspections)	110.00	112.00	1.8%
HMO Licence (5 or less occupants)	504.00	504.00	0.0%
HMO Licence (6 to 10 occupants)	629.00	629.00	0.0%
HMO Licence (11 to 15 occupants)	754.00	754.00	0.0%
HMO Licence (16 to 20 occupants)	880.00	880.00	0.0%
HMO Licence (Over 20 occupants)	1,007.00	1,007.00	0.0%
<b>Car Parking fees</b>			
No changes to car parking charges proposed for 2017/18. Parking fees available at: <a href="http://www.havant.gov.uk/parking/car-parks">http://www.havant.gov.uk/parking/car-parks</a>			
<b>Traffic Management</b>			
Emergency Road Closure by Order	467.00	600.00	28.5%
Misc - Provision of Access Protection Lines	60.00	60.00	0.0%
Misc - Traffic Cone Hire up to 5 cones	-	25.00	
Misc - Traffic Cone Hire up to 10 cones	-	35.00	
Misc - Traffic Cone Hire up to 20 cones	-	55.00	
Parking Bay Suspension by Notice; per bay, per day	50.00	50.00	0.0%
Section 115 Consent	450.00	450.00	0.0%
Single Permanent Traffic Regulation Order (for a developer, standard parking restriction in a single road. (Additional TRO types to be charged separately at same rate)	3,000.00	3,000.00	0.0%
Temporary Road Closure by Notice	215.25	400.00	85.8%
Temporary Road Closure by Order	252.15	450.00	78.5%
Tourism/Private Signing - Administration (including signing scheme design and documentation)	20% of cost	20% of cost	
Tourism/Private Signing - Formal application (including vetting and definitive response)	125.00	125.00	0.0%
Tourism/Private Signing - Maintenance (including cleaning and removal if no longer required)	10% of cost	10% of cost	
Tourism/Private Signing - Provision of signs (including manufacture, supply and erection)	At cost	At cost	
Tourism/Private Signing - Replacement (if costs cannot be recovered following accident, damage or theft)	At cost	At cost	
Tourism/Private Signing - Supervision (including ordering work and inspection)	10% of cost	10% of cost	

	Price 16/17 £	Price 17/18 £	% Change
<b>Animal welfare &amp; environmental protection</b>			
Dog Kennelling	10.00	10.00	0.0%
Drain Clearing - rodding method only	86.00	86.00	0.0%
Environmental Searches - Commercial	Free	Free	
Environmental Searches - Domestic	Free	Free	
Local Air Pollution Control (LAPC)	<u>Prices set by Defra and</u>		
Local Authority Integrated Pollution Prevention and Control	<u>available on their website</u>		
Return of Stray Dog ( Statutory Fee )	25.00	25.00	0.0%
Safer Food Better Business	28.20	28.20	0.0%
<b>Planning</b>			
<b>Planning Development</b>			
Planning application fees are available through the planning portal <a href="http://www.planningportal.gov.uk/planning/usefultools">http://www.planningportal.gov.uk/planning/usefultools</a> <u>Pre Planning advice - see <a href="http://www.havant.gov.uk/planning-and-environment/planning-services/pre-application-advice-and-charges">http://www.havant.gov.uk/planning-and-environment/planning-services/pre-application-advice-and-charges</a></u>			
Planning Performance Agreements	-	POA	
Accredited Agent subscription	-	250.00	
COMMUNITY INFRASTRUCTURE LEVY (CIL)	-	-	
DEVELOPMENT CONSULTATION FORUM	2,500.00	2,625.00	5.0%
Hampshire Highways Pre-Application Charges	-	-	
Havant Borough Local Plan (Core Strategy)	44.00	44.00	0.0%
Havant Borough Local Plan (Core)	33.00	33.00	0.0%
Planning Application Validation Check	40.00	50.00	25.0%
Local Plan Policies Map Booklet	33.00	33.00	0.0%
HIGH HEDGES LEGISLATION - Submission of Complaint	550.00	550.00	0.0%
<b>Section 106 Agreements</b>			
i) Unilateral Agreements - Bespoke	275.00	275.00	0.0%
i) Unilateral Agreements - Template	POA	POA	
ii) Bi-Lateral Agreements - Major Applications	137.5 per hour	137.5 per hour	
ii) Bi-Lateral Agreements - Minor Applications	731.00	731.00	0.0%
ii) Bi-Lateral Agreements - Other Applications	283.00	283.00	0.0%
The Council charges a fee to monitor all planning obligations and this is decided at a cost per head of term contained within the obligation and is in addition to the legal charge for drafting and checking the obligation.			
	POA	POA	
<b>Civil Engineering &amp; Landscape</b>			
Memorial Seat (applicant to pay cost of seat)	Cost of Seat	Cost of Seat	0.0%
Cost of Plaque (applicant to pay cost of plaque)	Cost of Plaque	Cost of Plaque	0.0%
Memorial Seat & Plaque installation	-	60.00	
Administration Charge - Memorial seats & plaques	-	150.00	

	Price 16/17 £	Price 17/18 £	% Change
<b>Programmes</b>			
<b>Facilities</b>			
Additional hire charge (Saturday)	34.15	34.15	0.0%
Additional hire charge (Sunday)	50.75	50.75	0.0%
Additional hire charge after 8.00pm (Mon-Fri)	34.15	34.15	0.0%
Copying price - Per A0 / A2 page	0.10	0.10	0.0%
Copying Price - Per A3 / A4 page	0.10	0.10	0.0%
Data Protection Act Subject Access request	10.00	10.00	0.0%
Hire of Council Chamber/Hurstwood Room - Community Group	40.00	40.00	0.0%
Hire of Council Chamber/Hurstwood Room - Standard	50.00	50.00	0.0%
Hire of Hollybank Room - Community Group	30.00	30.00	0.0%
Hire of Hollybank Room - Standard	40.00	40.00	0.0%
Hire of Newlease Room/Tournerbury Room - Community Group	25.00	25.00	0.0%
Hire of Newlease Room/Tournerbury Room - Standard	30.00	30.00	0.0%
Other rooms = on request from	10.00	10.00	0.0%
Provision of tea and biscuits	-	-	
<b>Land Charges</b>			
Note - certain Con 29 fees will be subject to VAT in 2017/18. Fees are currently under review and any revised fees will be agreed with the relevant portfolio holder.			
Combined search and CON 29R by post First parcel of land	£130.00	£130.00	0.0%
Combined search and CON 29R by post Each additional parcel	£20.00	£20.00	0.0%
Combined LLC1 and CON 29R Search by post First parcel of land	£160.00	£160.00	0.0%
Combined LLC1 and CON 29R Search by post Each additional parcel	£20.00	£20.00	0.0%
Official Search of whole register by post First parcel of land	£80.00	£80.00	0.0%
Official Search of whole register by post Each additional parcel	£2.00	£2.00	0.0%
First parcel of land - Residential by post	£112.00	£112.00	0.0%
First parcel of land - Commercial by post	£142.00	£142.00	0.0%
Each additional parcel by post	£20.00	£20.00	0.0%
Each printed enquiry by post	£15.00	£15.00	0.0%
Each printed enquiry 19, 20 or 22 by post	£30.00	£30.00	0.0%
Each additional enquiry in applicant's own words by post	£20.00	£20.00	0.0%
Combined search and CON 29R Online First parcel of land	£110.00	£110.00	0.0%
Combined search and CON 29R Online Each additional parcel	£20.00	£20.00	0.0%
Combined LLC1 and CON 29R Search Online First parcel of land	£140.00	£140.00	0.0%
Combined LLC1 and CON 29R Search Online Each additional parcel	£20.00	£20.00	0.0%
Official Search of whole register Online First parcel of land	£15.00	£15.00	0.0%
Official Search of whole register Online Each additional parcel	£2.00	£2.00	0.0%
First parcel of land - Residential Online	£95.00	£95.00	0.0%
First parcel of land - Commercial Online	£125.00	£125.00	0.0%
Each additional parcel Online	£20.00	£20.00	0.0%
Each printed enquiry Online	£15.00	£15.00	0.0%
Each printed enquiry 19, 20 or 22 Online	£30.00	£30.00	0.0%
Each additional enquiry in applicant's own words Online	£20.00	£20.00	0.0%
Property Name Additions/Amendments - rename a road	-	300.00	NEW
Property Name Additions/Amendments - rename a house	-	100.00	NEW
Street Naming - Change of Address one property	90.00	90.00	0.0%
Street Naming - Change of Address 2-10 property	67.00	67.00	0.0%
Street Naming - Change of Address 11+ property	46.00	46.00	0.0%
<b>Development</b>			
<b>Building Control</b>			
Building controlfees are based on an hourly rate of:		£52.69 P/Hr	

## **STATEMENT ON THE GENERAL FUND BUDGET PROPOSALS BY THE CHIEF FINANCIAL OFFICER**

### **1. Background**

- 1.1. Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their precepts. Authorities are required to consider their Chief Financial Officer's report when setting precepts.

### **2. Summary Opinion**

- 2.1. Having taken into account the issues detailed in the report, I am able to give a positive opinion on the robustness of the estimates and the adequacy of financial reserves for 2017/18. This opinion is based on the budget scenario presented to Cabinet on 8<sup>th</sup> February 2017. Should any of the assumptions change which require the identification of significant additional savings then this opinion will be reviewed.
- 2.2. The inclusion of property investment income and savings achieved through service transformation that have been captured in the budget are both innovative and challenging. There is a risk that, should these targets not be achieved, the Council will need to draw on its reserves during 2017/18, although this is not anticipated. The Council has sufficient reserves to mitigate this risk in 2017/18 but use of reserves would not be sustainable in the medium term.
- 2.3. The medium term financial plans of the Council have been prepared on the basis of estimates for retained Business Rates income and the Council Tax Support Scheme. These assumptions will need to be monitored throughout the year.

### **Robustness of the Estimates**

### **3. Estimates Procedures and Processes**

- 3.1. The Annual Audit letter for 2015/16 reports the Council is performing well and is effective in managing its finances. It has a robust budget setting process and a financial strategy that is comprehensive including future financial pressures and an analysis of key risks.
- 3.2. In giving a positive opinion on the robustness of the Estimates and Council Tax procedures I have relied on the factors summarised in the Budget report. These include well established and tested procedures and the identification of risk. I confirm that in my view the Council has robust procedures in place. These procedures will need to be reviewed and revised for future years particularly in the light of continuing public sector spending constraints and the strategy to invest in property.

**4. Determination of the level of resources available.**

- 4.1. The 2017/18 Revenue Support Grant settlement, announced in December 2016, was, in line with expectation, and New Homes Bonus for 2017/18 exceeded expectation by £185,000. Indicative settlement figures for 2018/19 to 2019/20 have been provided and these figures inform the Medium Term strategy.

**5. Affordability of Spending Plans.**

- 5.1. In assessing this issue the following factors have been taken into account:
- The level of Council Tax considered acceptable both locally and nationally - the Government has confirmed that increases in Council Tax deemed to be excessive will be subject to a local referendum. Although the Government has assumed 2% increases in Council Tax in its settlement, the Council has made an assumption in its medium term strategy to maintain 0% Council Tax increases over the period of the MTFS.
  - The budget process for 2017/18 has been based on costed business plans to ensure the estimates are robust.

**6. Advice on the level and use of reserves**

- 6.1. The estimated level of the General Fund Balance at 31 March 2016 is £6.6m. The General Fund Balance is set aside to mitigate the impact of unexpected events and emergencies. In order to assess the adequacy key financial risks have been identified. It should however be noted that this is not a precise science and that local circumstances, the strength of financial reporting arrangements and the Council's track record in financial management will also be a key influence on the actual potential of any individual risk materialising.
- 6.2. An analysis of earmarked reserves held by the Council has revealed that the level of individual reserves is appropriate. The reserves are adequate to meet the commitments and forecast expenditure facing the Council.

**7. Key Budget Risks**

- 7.1. There are two key risks to which attention should be drawn. The first relates to the income streams that have been anticipated against borrowing funds to purchase investment properties of up to £10m per annum at 5% yield. The Council will have a significant amount of work to undertake to build resource and knowledge to support this income. The second relates to cost reduction challenges and efficiency savings that have been assumed within MTFS cost base.

- 7.2. The Government is consulting on the 100% localisation of business rates by 2020/21. Full local retention of business rates scheme will place a higher risk for Havant Borough Council because it will leave us more vulnerable to fluctuations in rateable value, business rate appeals and the sustained growth of our local businesses in the future.
- 7.3. In summary, therefore, it is my view the estimates presented are robust for 2017/18 and that all reasonable steps are being taken to mitigate the associated risks. The medium term financial position of the Council is challenging and will require concerted effort in the current climate to achieve.

## 8. **Conclusion**

- 8.1. Based on the assessment included in this report I have concluded that the 2017/18 budgets as proposed and the associated systems and processes are sound. The level of the General Fund Balance and other reserves are adequate to meet the Council's medium term financial commitments as I see them today. However, as the risks in section 7 explain, it will be necessary to closely monitor the achievement of income challenges and service efficiencies during the course of 2017/18 and the potential impact on the General Fund Balance during future years as these matters become clearer. My conclusion is subject to no amendments being made to the budget proposals that would impact on this assessment.

Craig Smith  
Section 151 Officer  
Havant Borough Council



## HAVANT BOROUGH COUNCIL

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**CABINET**

**Wednesday, 8 February  
2017**

### **CIL Spending 2016/17**

**Report by: Louise Weaver, Community  
Infrastructure Officer on behalf of the Head of  
Planning**

### **FOR DECISION**

**Portfolio: Cabinet Lead for Economy, Planning, Development and Prosperity  
Havant**

**Key Decision: No**

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### **1.0 Purpose of Report**

- 1.1 This report provides an analysis of the 26 bids received following the CIL Bidding Process. It makes recommendations on the spending of CIL funds.
- 1.2 To 'ring fence' Neighbourhood Portion in accordance with the CIL Regulations.
- 1.3 Amend the CIL Funding Decision Protocol.
- 1.4 To agree that this report go to Full Council on 22 February 2017 with recommendations for CIL spending.

### **2.0 Recommendation**

- (i) That Cabinet recommends to Council that it **invests part of the available CIL Pot of £1,250,724.12 in the following capital infrastructure projects:**
  - (a) Langstone Flood and Coastal Erosion Risk Management Scheme (FCERM) Feasibility Assessment £75,000.
  - (b) Southmoor Lane, Harts Farm Way Junction Improvements (Short Term) £190,405.
  - (c) Havant Railway Footbridge Detailed Design up to £150,000, subject to negotiation with Hampshire County Council
  - (d) Warblington Station Footbridge – Whilst the funding bid for Warblington Station Footbridge scored very highly using the CIL Protocol, the option of Network Rail providing this infrastructure will be explored. S106 funds of

£647,784 have already been secured until 2025 to support this project. A contribution from CIL will be considered further during the next round of bidding.

The cumulative effect of expenditure on the CIL 123 List of the above bids is illustrated in Table A:

<b>Bid No</b>	<b>Priority</b>	<b>Title</b>	<b>Amount</b>	<b>Cumulative amount</b>
2	Critical	Langstone FCERM Feasibility Assessment	£75,000	£75,000
4	Essential	Southmoor Lane, Harts Farm Way Junction Improvements (Short Term)	£190,405	£265,405
18	Essential	Havant Railway Footbridge Detailed Design	£150,000	£415,405

**Table A: Cumulative total of all recommended CIL Pot bids**

**ii) We recommend that the council invest part of the available Neighbourhood Portion of £163,305.49 in the following projects:**

- a) The Hub – Hayling Island Community Centre Association £42,638
- b) Northney Coastal Path £90,000–  
Funding will be contingent upon other funding opportunities having been exhausted and planning permission being obtained. As there is some uncertainty over the delivery of this project at present it is recommended that a two year time limit is added to this recommendation (that funds be spent by the Council by 31 March 2019).

The cumulative effect of expenditure on the CIL 123 List of the above bids is illustrated in Table B:

<b>Bid No</b>	<b>Priority</b>	<b>Title</b>	<b>Amount</b>	<b>Cumulative amount</b>
26	Desirable	The Hub – Hayling Island Community Centre Association	£42,638	£42,638
15	Desirable	Northney Coastal Path	£90,000	£132,638

**Table B: Cumulative total of recommended Neighbourhood Portion bids**

**iii) That the Council agree a Revised CIL Funding Decision Protocol set out at Appendix F.**

**3.0 Summary**

- 3.1 To review CIL spending position in light of funds currently available.
- 3.2 Recommend that this report be passed on to Cabinet and Full Council, for a decision on the bids presented in this report.
- 3.3 That the Neighbourhood Portion is identified separately in accordance with the CIL Regulations and the funds reserved for local projects in consultation with

local communities. Spending will be in accordance with the Revised CIL Funding Decision Protocol.

- 3.4 That the Funding Decision Protocol is revised to reflect 3.3 and minor procedural changes (Appendix F).

#### 4.0 Subject of Report

### 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 is reproduced at Appendix A for reference purposes.
- 4.2 In accordance with the CIL Regulations, the Neighbourhood Portion should be recorded separately from the rest of the CIL funding available. These funds are now easily identifiable following the implementation of new CIL Software 'Exacom'. As of the 31 March 2016 the Neighbourhood Portion was £163,305.49.
- 4.3 Appendix G gives detail and background to previous CIL expenditure. Appendix H looks further at documentation supporting the Neighbourhood Portion and is discussed later in this report starting at Paragraph 4.25.

#### Current level of CIL Receipts and Expenditure

- 4.4 Since the introduction of the CIL on 1 August 2013 the value of Liability Notices issued totals just over £4m. The amounts initially received from CIL were minimal, as CIL is not payable until a planning permission is implemented. As more planning permissions are being implemented, the funds received in respect of CIL each year have the potential to increase exponentially. The most recent monitoring year (2015/16) gross CIL receipts totalled £855,327.96. The CIL receipts for 2016/17 are anticipated to exceed this amount.
- 4.5 As of 31 March 2016 CIL receipts totalled £1,523,046.53 (including interest), divided as follows:

Category	Amount
Funds allocated to CIL Administration	£76,152.33
Funds allocated to Neighbourhood Portion	£163,305.49
Funds allocated to CIL projects identified in the CIL 123 List (also referred to as the CIL Pot)	£1,283,588.71
TOTAL	£1,523,046.53

**Table C: CIL Income 1 August 2013 to 31 March 2016**

- 4.6 Deducting the final sum already spent on the Havant Footbridge Feasibility Study of £32,864.59, this leaves the sums available for CIL spending identified in Table D:

Category	Item	Amount
<b>Neighbourhood CIL</b>	Amount received	£163,305.49
	Less CIL funds already spent	£0.00
	<b>TOTAL</b>	<b>£163,305.49</b>
<b>CIL 123 List Sums (also referred to as the CIL Pot)</b>	Amount received	£1,283,588.71
	Less CIL funds already spent	£32,864.59
	<b>TOTAL</b>	<b>£1,250,724.12</b>

**Table D: CIL Funds to take spending decision on 2016**

- 4.7 Funding decisions now need to be taken on a fund of £163,305.49 for Neighbourhood CIL and £1,250,724.12 for the CIL Pot.

### **CIL Bidding Process July 2016**

- 4.8 The Infrastructure Delivery Plan<sup>1</sup> sets out a list of infrastructure needed to support development that is proposed through the Havant Borough Local Plan. The list is extensive and CIL will not be able to fund all these requirements. The Council needs to decide which projects to invest CIL in. Stakeholders (Appendix B) were invited to submit bids for the funding of infrastructure from the CIL. A total of 26 bids were received totalling over £16m.
- 4.9 The bids are for projects ranging from strategic transport to local access schemes, environmental improvements, education, flood alleviation and social and community facilities. The value of the schemes and bids range from £7,000 to £4.28 million.
- 4.10 One of these bids (Bid 18) follows on from feasibility work already funded by CIL (Havant Station Footbridge). Two bids relate to the Southmoor Lane/Harts Farm Way Junction (Bids 4 and 17) referred to in the CIL Bidding decision for 2015 (Appendix G).
- 4.11 Bids 15, 19, 22, 23 and 26 need to be considered for CIL Spending from the Neighbourhood Portion.
- 4.12 As the potential cost of some projects is way beyond that being raised through CIL, there is benefit to the Borough in using CIL to lever in other funding if the high cost schemes are ever to be realised; this is one of the factors in the Protocol categorisation.
- 4.13 A summary of the bids recommended for spending is available at Appendix C.

### **Comparing the Bids**

1

<http://www.havant.gov.uk/sites/default/files/documents/FINAL%20Strategic%20Infrastructure%20Delivery%20Plan%20May%202014.pdf>

- 4.14 The Protocol enables infrastructure projects to be categorised according to whether they are 'critical' to enabling development, whether they will mitigate the effects of development (essential) or whether they are important to deliver place making (desirable).
- 4.15 The bids have been assessed against the infrastructure prioritisation criteria set out in the protocol (as amended). These are available at Appendices D and E.
- 4.16 Only one of the bids has been assessed as 'critical' (without which development cannot proceed), namely **Langstone Flood and Coastal Erosion Management Scheme Feasibility Assessment** (Bid 2) £75,000. The council has recently progressed its next phase of plan making with the Local Plan Housing Statement, a fundamental part of the process of preparing the Havant Borough Local Plan 2036. Maintaining road access to Hayling Island is critical to the sustainable delivery of the 555 potential new homes identified for Hayling Island. The Langstone Flood and Coastal Erosion Management Scheme Feasibility Assessment will demonstrate whether road access can be retained during flood events and what mitigation would be required.
- 4.17 Eight bids were considered to be 'Essential' but due to the limitation of available CIL funding these have been further prioritised in Table 1B of Appendix D. These include:

**Southmoor Lane, Harts Farm Way Junction Improvements (Short Term)**

(Bid 4) £190,405, will reduce peak hour delays by increasing the number of lanes northbound and improve the junction layout for pedestrians and cyclists. This bid will increase sustainable forms of travel and reduce CO<sub>2</sub> emissions. This proposal is 'shovel ready' and can be delivered within the next financial year. It will support the economic development of Havant and the A27 Prosperity Corridor outlined in 'Prosperity Havant' and the Adopted Local Plan by improving access to a large number of businesses located in this area. When complete, the project will have an immediate beneficial impact on the economy of the borough.

**Havant Railway Footbridge - Detailed Design Only** (Bid 18) £300,000.

CIL funds for a feasibility study were granted in the last round of CIL funding and a draft version of this report has now been received. The current bid is for £300,000 to carry out the detailed design of a new footbridge. Keeping this route open will maintain pedestrian and cycle access to Havant Town Centre/access to the Public Service Village and Oak Park. There is the possibility of Solent LEP Funding/contribution from Network Rail to build the bridge if an economic case can be made. The feasibility report recommends that as all the proposed replacement options are approved in principle with Network Rail, any design/technical agreement should follow up within the two year period; otherwise the land enquiry will need to be resubmitted to Network Rail, potentially risking nullifying the CIL expenditure already made in this respect. As the replacement bridge is to the mutual advantage of both HBC and Hampshire County Council (HCC) we are recommending that 50% of the bid should be offered on a match funding basis with HCC. HCC have indicated that the cost of the design could decrease and they would be willing to offer a contribution but this sum has yet to be confirmed.

**Warblington Station Footbridge** (Bid 1) £833,623 is proposed to be prioritised due to the amount of existing S106 funds at risk if this project remains unfulfilled (by 2025 it is likely that the sum of £647,784.07 would need to be returned to the developers if a committed scheme is not in place). The project needs to be fully funded by 2020 due to the long lead in to gain possession of the railway line. Prior to a potential committal of CIL funds further work will be undertaken to explore whether Network Rail will fund any of this work.

- 4.18 All of the other 'essential' bids have merits, however if Bids 2, 4 and 18 receive funding/funds then it is recommended that until the potential of Network Rail funding for Bid 1 is fully exhausted, then it would not be prudent to make decisions on further spending at this time. Further comment on the 'unsuccessful' bids' is given towards the end of Appendix D.
- 4.19 A further 12 bids were considered 'desirable' (support sustainable communities or have place-making benefits). Once again it is not proposed to consider these in this year's funding allocation due to the limited amount of CIL.
- 4.20 The bids have been assessed in accordance with the Revised Community Infrastructure Levy Funding Decision Protocol outlined in Appendix F.

## **Conclusions and Recommendations**

### **Funding Decision Protocol**

- 4.21 The Funding Decision Protocol sets out the process by which income derived from CIL is allocated to infrastructure projects. The methodology includes criteria to guide the assessment of bids for funding and the prioritisation of projects to ensure that CIL funds are used most effectively. It was previously recommended that the current protocol (Appendix A) is reviewed periodically, to ensure that it remains fit for purpose in the light of experience and changing circumstances. A review has therefore been carried out and a revised version is attached at Appendix F.

### **Regulation 123 List**

- 4.22 The Regulation 123 List sets out those types of infrastructure for which the Council will not seek a Section 106 planning obligation or require a Section 278 highway agreement. The list indicates the types of infrastructure that may be partly or wholly funded through CIL. However, the inclusion of projects in the list does not guarantee funding.
- 4.23 The Cabinet report dated 26 June 2013 noted that the Regulation 123 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 CIL Charging Schedule, subject to appropriate consultation, provided that the changes do not have a significant impact on the viability evidence that supported the Charging Schedule.

- 4.24 There is no need to review the Regulation 123 List during this round of CIL Spending Decisions as the current Regulation 123 List is considered fit for purpose.

### The Neighbourhood Portion

- 4.25 In the past, S106 planning obligations provided funds for infrastructure related to a development, such as art and play space equipment. Since the introduction of CIL, S106 funding for these facilities is generally no longer available.
- 4.26 Previously the Neighbourhood Portion was subsumed in the CIL Pot.
- 4.27 To comply with the CIL Regulations, the Council is recommended to ‘ring fence’ the Neighbourhood Portion. The Community Infrastructure Levy (Amendment) Regulations 2013 and Planning Practice Guidance emphasise this and further information on these sources can be found in Appendix H.
- 4.28 Some of the spending decisions proposed in this report are from funds allocated to the Neighbourhood Portion and the remaining ‘capital’ bids for infrastructure from the larger CIL Pot. In accordance with Planning Practice Guidance, the Neighbourhood Portion can be spent on a wider range of infrastructure than the main CIL Pot.
- 4.29 The 2016 CIL bidding process has resulted in five bids which can be considered under the Neighbourhood Portion (bid numbers 15, 19, 22, 23 and 26). The current funds in the Neighbourhood Portion of £163,305.49 are insufficient to satisfy all of these bids:

Project Title	Bid No	Amount
Northney Coastal Path	15	£90,000
Solent Way Upgrade Project	19	£55,000
Mengham Junior School Ground Improvements	22	£7,000
Pathway from Car Park at Southdown View to join new pathway at Billy's Lake	23	£67,500
The Hub – Hayling Island Community Centre Association Annex (final amount could be less as contingency included in this sum)	26	£42,638
TOTAL		£262,138

**Table E: Bids made against Neighbourhood Portion 2016**

### Recommendations for the spending of the Neighbourhood Portion of CIL:

- 4.30 Support **The Hub – Hayling Island Community Centre Association up to £42,638**. The centre is leased from HBC. The bid of up to £42,638 will complete a project totalling £469,081 intended to provide a community café and flexible meeting space for a range of social and other services such as Hayling Island Job Club, Cops and Coffee Sessions, Motiv8 Youth Club, the Citizen's Advice Bureau and potentially a new home for the Surestart Centre. The sum of £42,638 includes £40,000 contingency. Works have already commenced.

- 4.31 Support **The Northney Coastal Path up to £90,000**. This has been a long held aspiration of the North East Hayling Residents' Association and will provide a safe path for locals and tourists. **However funding will be contingent upon other funding opportunities having been exhausted and planning permission being obtained. As there is some uncertainty over the delivery of this project at present it is recommended that a two year time limit is added to this recommendation (that funds be spent by the Council by 31 March 2019, at which point the funds would be returned to the Neighbourhood Portion).**
- 4.32 A final row has been added to Appendix E to rank all the Neighbourhood Portion Bids. Bid 26 ranked highest as funds are needed to complete the delivery of a larger project and the value in terms of infrastructure to the borough is therefore greatest, Bid 15 ranks second. Bid 19 would be worthy of further consideration once it is certain that funding was unavailable from any other source.

## **5.0 Implications**

- 5.1 **Resources:** Whilst there are limited funds available for CIL expenditure and previously the decision was to build up the CIL Pot, the Pot now available is significant. The number of bids received far exceeded the funds available. The use of the CIL Funding Protocol identifies those bids that are deliverable and have the most potential to deliver real infrastructure benefits to the borough.
- 5.2 **Legal:** 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.
- 5.3 **Strategy:** The CIL will help to deliver across all five priority themes set out in the Corporate Strategy in respect of financial stability, economic growth, public service excellence and environmental sustainability.
- 5.4 **Risks:** Ensuring that the CIL is spent effectively and provides or enables the most necessary infrastructure to ensure a prosperous borough.
- 5.5 **Communications:** Stakeholders were invited to bid and the information was also incorporated in the Local Plan Newsletter. Councillor Workshops were held on 15 September 2016 and 23 January 2017. The aim of these workshops was to help secure Councillor support for the process and feedback has helped shape the spending decisions.
- 5.6 Investment in infrastructure is a 'good news' story for the borough and the advice of the Communications Team will be sought/press release(s) issued to make the most of this opportunity at all stages of CIL spending, especially project delivery. The revised CIL Funding Decision Protocol builds in more robust annual timetabling of CIL Spending which will allow us to communicate the bidding process more efficiently to all relevant stakeholders.
- 5.7 **For the Community:** The spending of the CIL on infrastructure within the borough will be of benefit to the local community.



5.8 An Integrated Impact Assessment (IIA) has not been completed as the subject of this report is financial. However the Council would expect the recipients of Community Infrastructure Levy funding to be mindful of the Public Sector Equality Duty and the requirements of the Equality Act must be complied with through the implementation of these projects.

## **6.0 Consultation**

6.1 The bid process consultation took place between 1 July and 12 August 2016; the organisations directly invited to bid are set out in Appendix B.

6.2 A Community Infrastructure Levy Spending Bids Analysis - Briefing Session took place on 15 September, to update Councillors on the Community Infrastructure Levy Spending Bids received in August 2016. An update for Councillors on the direction of CIL Spending was incorporated in the first Councillor Newsletter of January 2017 circulated on 9 January 2017. A second Councillor Workshop took place on 23 January 2017. Councillors were given the opportunity to find out more about the proposed spending bids. Both Mark Stratton from the Eastern Solent Coastal Partnership and Stuart Wood from the Civil Engineering and Landscape Team were available to provide additional detail and answer questions on the bids recommended in respect of the Main CIL Pot.

6.3 Iterations of this document have been presented to:

- Executive Board on 15 November 2016
- An update on the spending proposals was given to the Executive Director (Operations) on 3 January 2017
- Cabinet Briefing on 18 January 2017.

## **Appendices:**

Appendix A – Community Infrastructure Levy Funding Decision Protocol (18 February 2015)

Appendix B – Organisations Invited to Submit Bids

Appendix C – Summary of Bids

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

Appendix E – Submitted Bids Assessment Neighbourhood Portion

Appendix F – Revised Community Infrastructure Levy Funding Decision Protocol

Appendix G – History of CIL Expenditure

Appendix H – Sources regarding Legality and Neighbourhood Portion

## **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)

Local Plan Housing Statement December 2016 (Havant Borough Local Plan 2036)

**Agreed and signed off by:**

Legal Services: Sara Bryan 25/01/2017

Finance: Craig Smith 25/01/2017

Department Head: Andrew Biltcliffe 25/01/2017

Cabinet Lead: Councillor David Guest 26/01/2017

**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)

## **Community Infrastructure Levy (CIL) Funding Decision Protocol (Revised 18 February 2015)**

### **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 aligns and concludes with the Council's annual capital spending programme. The aim of the Protocol is to ensure that decision making and the process leading to it is transparent. Through it the Council will identify and agree priorities for the use of CIL and to agree the allocation of funds on an annual basis. This revised Protocol takes account of learning from first use of the Protocol during 2014.

### **Key Principles**

2. All of the CIL collected will be used to support infrastructure for the communities within the Borough. Of this:
  - i. At least 95% of CIL receipts 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; and
  - ii. 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. .
3. Other key principles:
  - Funds to be targeted so that they address identified infrastructure priorities and address the impacts of development.
  - Procedures and timetable should run on an annual basis, be aligned with the annual budget decision making process and include a review of the Regulation 123 List.
  - The allocation decisions to be based on funds available as at 1<sup>st</sup> January each year.
  - 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.

### **Summary of Process and Timetable**

4. 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.
5. Following initial informal discussion at officer level, service and infrastructure providers, also Ward Councillors on behalf of the communities in their area - see

Stakeholder Analysis at Appendix 1 - are invited to submit individual draft proposals, using the form at Appendix 2, within 6 weeks. It is expected that Havant Borough Council services and Hampshire County Council will be the main bidders. Service and infrastructure providers will be informed of the likely level of funds available to encourage realistic bids which can also be made by Havant ward councillors on behalf of the communities in their areas.

6. Assessment of the proposals is then undertaken In the light of the available funds, a final draft spending programme is prepared. This is presented to the Cabinet for decision and recommendation to the full Council alongside the Capital Spending Programme (usually in February). The Cabinet and Council would be asked to agree the allocation 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.
8. 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 / May	Update and publish revised Infrastructure Delivery Plan.
June	Service and Infrastructure Providers and Ward Councillors invited to submit their programmes.
July	Submission of bids from Service and Infrastructure Providers and Ward Councillors received by end of month.
August/ September	Assessment of proposals and prepare summary report.
October /November	Liaison with Bidders Preparation of draft Spending Programme (Cabinet Report).
December	Finalise draft Spending Programme (Cabinet Report).
January	Cabinet report published.
January /February	Cabinet considers Spending Programme and recommends to Council.
February /March	Council agree Spending Programme for following financial year.

### **Bidding for Funding**

9. Bids for the funding of schemes and projects should be supported by robust evidence of the cost and practicality of delivering the scheme or project, including an exploration of alternative sources of funding, as follows.
10. 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 set out the full costs of the scheme, and the time scales for implementation.

11. 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**

12. The levy must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure<sup>1</sup> needed to support the development of the area, although there is more freedom regarding the use of the neighbourhood portion which can also be applied to “anything else that is concerned with addressing the demands that development places on an area”. 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.

13. 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.

14. 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 key development sites in the borough	
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	

<sup>1</sup> “Infrastructure” includes roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces. (S216, Planning Act 2008, as amended by regulation 63)

Criteria	Yes / No
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	

15. 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 and illustrated by the flow chart at Appendix 3:

**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**

16. It should be noted that the process does not need to be applied to fully funded projects that are not yet started or completed.
17. Once the infrastructure projects have been checked against the Infrastructure Delivery Plan and R123 List and 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.
18. 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.
19. To guide decisions a table will be set out, providing at a glance comparison of the projects – see Appendix 4. 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.
20. 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 and other infrastructure providers where appropriate.

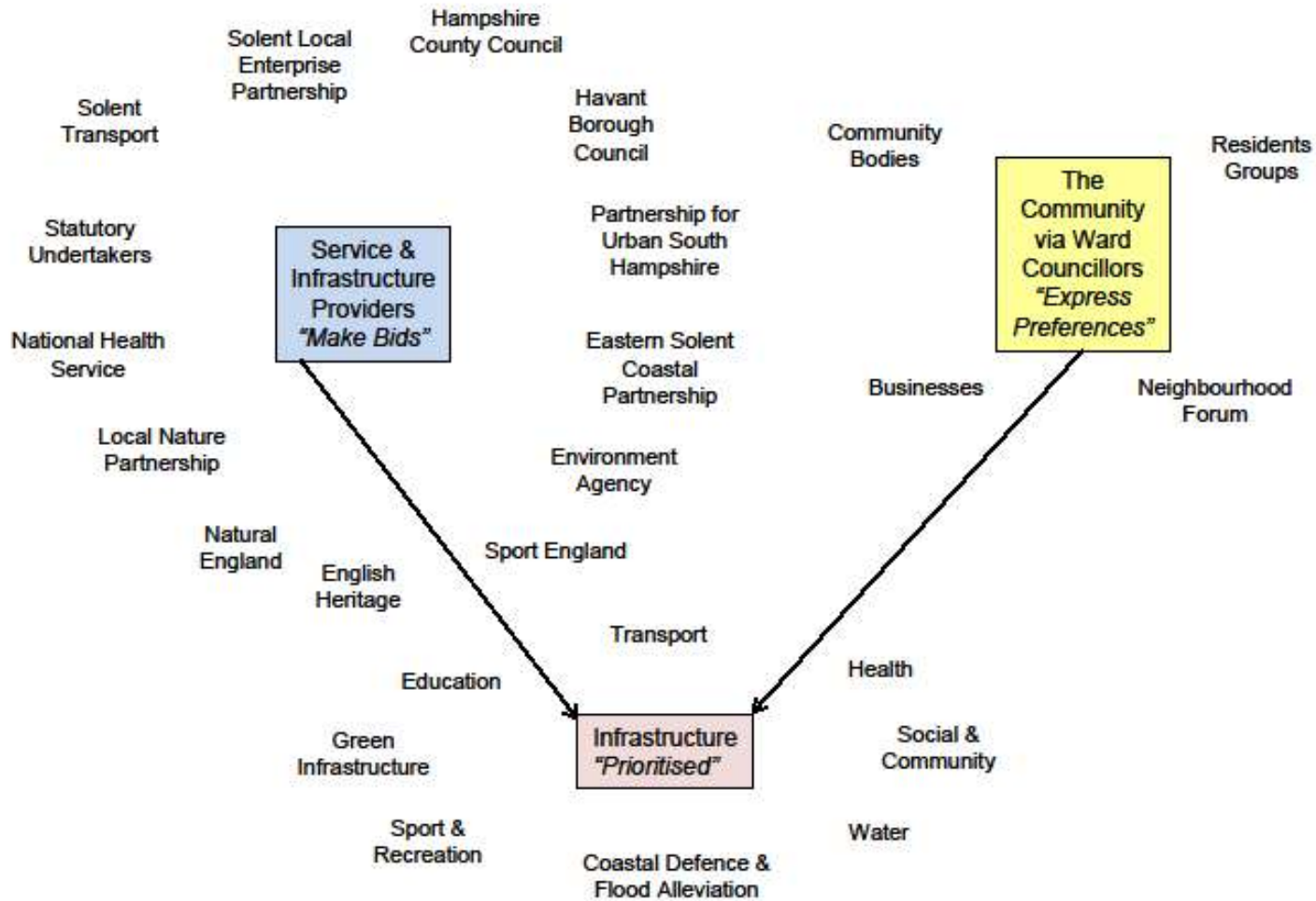
## **Payment of Funds**

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

## **Monitoring**

22. 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.

### Stakeholder Analysis





## Appendix 2

### Bid for Funding from Community Infrastructure Levy



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?

**How will the scheme help support the ongoing development of Havant Borough, taking account of where development has or is proposed to take place and the capacity of existing infrastructure to meet those additional demands?**

*(The Havant Borough Local Plan can be viewed here: <http://www.havant.gov.uk/planning-and-environment/planning-policy-design>)*

**What are the costs of the project?**

**What other funding sources have been identified/explored?**

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

**b. Is the project likely to be directly linked to and necessary as a result of foreseeable development and therefore a separate S106 contribution or s278 may be justified?**

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

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

**b. If it is 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**

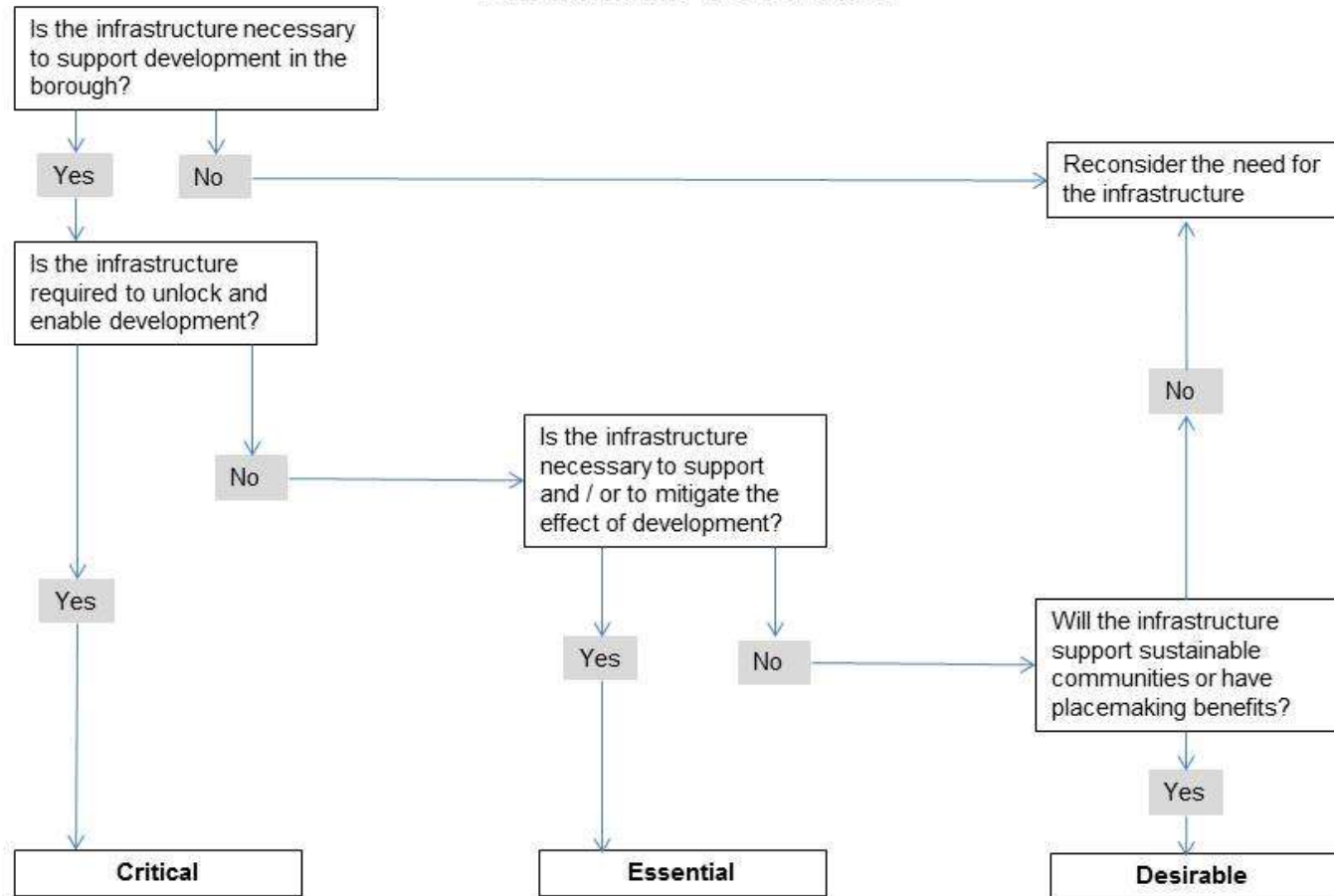
- Stage 1: Feasibility/evaluation
- Stage 2: Implementation

**Please specify responsibility for on-going maintenance costs:**

Please return form by ***Insert Date***

To: <a href="mailto:policy.design@havant.gov.uk">policy.design@havant.gov.uk</a>	Or: Planning Policy & Urban Design Havant Borough Council Public Service Plaza Civic Centre Road Havant PO9 2AX
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### Prioritisation Process Chart



Prioritised Infrastructure Projects Proforma

Project Name	Timescale	Project Type	Local Plan Area	In R123 / IDP	Project Status	Local Plan Policies	Amount Sought
<b>Critical</b>							
<b>Essential</b>							
<b>Desirable</b>							

## Organisations Invited to Submit Bids

### Invitations to bid sent directly to:

British Gas  
British Telecom  
Eastern Solent Coastal Partnership  
Emsworth Forum  
Environment Agency  
First Hampshire and Dorset Ltd  
Hampshire Constabulary (Havant Area)  
Hampshire County Council  
Hampshire Fire & Rescue Service  
Hampshire Police Authority  
Hampshire Primary Care Trust – Capital Planning and Estates  
Havant Borough Council – Councillors  
Havant Borough Council – Heads of Department  
Natural England  
Network Rail  
Norse South East  
Partnership for Urban South Hampshire  
Portsmouth Water PLC  
Scotia Gas Networks  
Scottish & Southern Energy PLC  
Solent Local Enterprise Partnership  
~~South Central Ambulance Service~~ (to be deleted in future as funded directly from government)  
South Eastern Hampshire Clinical Commissioning Group  
Southern Gas Networks  
Southern Water PLC  
Sport England  
Sustrans

N.B: Everyone on the circulation list for the Local Plan Newsletter also received details of the CIL Bidding Process.

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## **Appendix C: Summary of Bids**

### **Main CIL Pot Recommended Bids**

#### **Langstone Flood and Coastal Erosion Risk Management (FCERM) Scheme Feasibility Assessment**

The bid outlines the feasibility stage of an FCERM scheme to reduce the flood risk of 59 properties (present day) and 86 properties (2115) to a 1/75-1/200 year standard of protection. The Portchester to Emsworth FCERM strategy recommends a minimum of 1/75 year standard, however, the NPPF (2012) states that new development should be protected to a 1/200 standard. In addition, the scheme would also reduce future erosion and flood risk to the A3023 highway, A27 and Hayling Road Bridge. From this, the potential for loss of life would be reduced, not only by reduction of flood risk, but by securing the only vehicle road on and off the island for the use of the emergency services.

The Havant Borough Local Plan Housing Statement includes proposals for future development on the island using the assumption that the two flood defence schemes at Langstone and Stoke are essential for development to go ahead. As such, the scheme would help Havant Borough to meet its objective housing need by unlocking future housing development sites. At the same time, the scheme has the potential to avoid £16 million (approx.) of damages associated with a 1/200 year tidal event.

At present, further funding sources need to be investigated as part of the initial work. The total life cost of the project is estimated to be £6,642,473 and £7,469,777 for a 1/75 and 1/200 year standard of protection respectively.

The long term delivery of the Langstone Scheme will be dependant on additional funding sources. Other sources explored to date include: 1) Flood and Coastal Risk Management Grant in Aid; and 2) Local Levy.

At present, **£75,000** for the 2017/18 Feasibility Assessment is being sought through CIL. Further CIL funding will need to be explored for future phases of the project. The infrastructure produced by the scheme will have a mixture of landowners and thus have collaborative responsibility for maintenance from Havant Borough Council, Hampshire Highways, the Environment Agency, as well as private stakeholders.

#### **Southmoor Lane, Harts Farm Way Junction Improvements (Short Term Solution)**

The bid outlines much needed improvements to the junction layout at Southmoor Lane, Harts Farm Way and Brockhampton Road. This will be achieved by providing a roundabout with improved approaches for vehicles, pedestrians and cyclists. More specifically, the northbound of Southmoor Lane will be widened from its current one lane to combat the 15-20 minute traffic queues; thus improving permeability. The benefits of this scheme, include; 1) improvements of pedestrian and cyclist facilities, therefore increasing sustainable forms of travel and CO<sub>2</sub> reduction; 2) increase economic development in the Broadmarsh area; and 3) remove complaints and threats from businesses to leave Havant for less congested areas. The bid highlights key elements of the Borough's Core Strategy, these including support for our communities, infrastructure improvement and economy boost. HCC and HBC Civil Engineering Team are the project providers, with HCC able to provide a short term

solution within 12 months if CIL funding is secured. All other potential funding sources have been unsuccessful, therefore the project will not go forward if CIL funding is not secured. At present, the project requires an estimated **£190,405** of CIL money. HCC will contribute S106 funds of £147,595. Total project cost £338K.

### **Havant Railway Footbridge (Detailed Design)**

The bid is proposing to carry out a detailed design for a new footbridge adjacent to Havant Railway Station. This will follow on from the current HCC feasibility study into bridge options, outline designs and public consultation. The project will include obtaining a cost estimate with all the necessary consents, such as, planning permission and the approval of Network Rail. With this, the project will be ready to progress to delivery when funding becomes available. The bridge was originally constructed in 1947 and is used by 3800 people daily at present. Some parts are visibly rusting. If not replaced, the bridge will need to be closed in the next 10-15 years for safety reasons. The project will contribute to; 1) the delivery of HBC's Active Travel Study; and 2) the redevelopment/regeneration of Market Parade. This proposal is also included in the Infrastructure Delivery Plan for the Havant Borough Local Plan and in the CIL Regulation 123 List. The project is asking for **£300,000** of CIL funding for the first stage of the scheme; i.e. the design (2017-19). Construction would then start in 2019/20 once additional funding is obtained, with the total cost estimated around £3.5 million. This includes construction costs, preliminaries, fees and development cost, with a contingency of 40%.

An architecturally led design has been considered, but a cost estimate has yet to be established. Other funding options include Hampshire County Council held developer contributions of £600,000 for the local area. There is also the possibility of funding from the Solent LEP and Network Rail. It is estimated that it could take three years to obtain the necessary agreement with Network Rail and secure possession orders to work above the railway lines. The bridge will be owned and maintained by HCC.

### **Warblington Station Footbridge**

The provision of a footbridge at Warblington Station has long been an aspiration of residents and Councillors. Planning Permission was granted in 2012 (APP/12/01143 now expired). The footbridge is considered highly likely to receive planning permission again.

The bid highlights the need for a footbridge to the north of Warblington School, including a cycle ramp, for pedestrian and cyclist use. The proposed project will aid local residents and students to cross the rail line safely when the barriers are down along Southleigh Road and give certainty of accessing the correct platform in a timely fashion for potential rail travellers. This will reduce the waiting time for pedestrians and cyclists, especially during peak hours when 12 trains per hour are recorded, whilst; 1) supporting the school's travel plan to encourage walking and cycling; 2) reduce injudicious crossing of the rail line and thus risk to life; and 3) support the Borough's Core Strategy to help communities and improve infrastructure. The school have identified the need for a footbridge and have lobbied their local MP previously. Moreover, they have identified that 450 of their 700 students live north of the rail line and thus highlight it as a main pedestrian and cycle route for accessing school. Additional funding sources include previous S106 funding and a bid was made for £300,000 to Great Western Railway (unfortunately this bid was unsuccessful). An extra



**£833,623** is being requested for the project, otherwise previous S106 money (£647,784.07) may be lost if the project does not commence in the next 3.5 years. The project will be delivered by HBC Civil Engineering and Landscape Team, HCC Bridge Office and Network Rail, with the latter maintaining the bridge in the future.

## **Neighbourhood Portion Recommended Bids**

### **The Hub – Hayling Island Community Centre Association**

The Hayling Island Community Centre Association (HICCA) is seeking **£42,638** in order to complete the process, implementation and construction of their new extension or 'Hub'. The 'Hub' will include a community café (also acts as a meeting space), as well as three multi-space meeting rooms. These spaces will be used by; Hayling Island Job Club; Motiv8 Youth Group; and the Citizens Advice Bureau (CAB). As the local Surestart Centre is about to close, HICCA are also currently liaising with children's centre agencies. At present, HICCA needs new space to meet the demand for additional services and facilities (weekly footfall of 2000 people) due to an ever growing population on the Island; already, they are forced to turn down 5 potential bookings a week due to lack of space, with function and group bookings increasing annually. HICCA are a registered charity. They have over 70 volunteers along with their long serving support staff and management committee. They maintain their track record of financial management and are completely self-supporting in the day-to-day running with no regular grants. As such, they have already appointed a project team with an architect to manage the project and have planning permission (APP/15/00079). The total cost of the project is £595,515. They have already secured £469,081 from the National Lottery Reaching Community Buildings Fund and additional funds through fundraising. HICCA require the shortfall of £42,638 from the CIL fund. This figure may reduce as they have included £40,000 within the total cost of the project contingency when the project starts. Any amount not used from the existing contingency could be offset against the shortfall.

The project is the result of an increasing population on the Island and thus the demand in services that follows. Under the Localism Act 2011, the Government have stressed that local planning authorities should work closely with neighbourhoods to decide what infrastructure they require. This links with HICCA's statement that 'increased partnership working between local authorities, Voluntary and Community services can help to reduce the negative effects of recession and develop resilience and capacity within the community to build inclusive and empowered places to live'. At present, the plans highlight to commence the work in January 2017, with this being handed over to HICCA in July 2017. The ongoing maintenance costs will be met by HICCA, but the responsibility of the insurance of the building will fall to HBC.

### **Northney Coastal Path**

The North East Hayling Residents Association (NEHRA) is proposing a safer access route to Northney. They have commented that the path is; unlit, the bank has worn down, there is frequent flooding at high tide, and therefore deems the path to be unsafe. The preliminary design suggests; 1) the ditch is piped and connected to existing tidal flaps; 2) the formation of a path over the top to provide safe access; and 3) the bank be raised to prevent overtopping by the sea. As such, this will allow safe access to the village for pedestrians,

cars and emergency vehicles; in addition to, tourists and cyclists. Planning permission has been provided for the preliminary design suggestions, however, no conclusion has been made. The Residents Association state that the project could be part of the Coastal path envisaged around the Island, though this route has not yet been finalised. The proposal requires **£90,000** (including VAT) of CIL funding. At present, the Coastal Community Fund has also been identified but no answer has yet been received. The scheme will complete a detailed plan by early next year and then start construction in May/June 2017 once the overwintering birds/waders have left. It is envisaged that the project will be constructed under the jurisdiction of HBC and the Eastern Solent Coastal Partnership (ESCP) with responsibility for the ongoing maintenance costs falling to either HBC or HCC upon completion.

## **List of Bids not Recommended for Expenditure Following Prioritisation using the CIL Protocol**

Belmont Grove Local Centre Enhancements (bid 3)

Dunsbury Hill Farm Cycle and Pedestrian Links (bid 5)

Elm Grove Enhancements (bid 6)

Havant Town Centre Cycle Cross Links (bid 7)

Hayling Billy Trail/Shipwrights Way: Reconstruction (bid 8)

Milton Parade Local Centre Enhancements (bid 9)

Point Seven Local Centre Enhancements (bid 10)

Rusty Cutter Link Road – Congestion Relief Scheme (bid 11)

Waterlooville Town Centre Enhancements (bid 12)

West Street Havant Enhancements (bid 13)

North Street Havant Enhancements (bid 14)

Expansion of Primary School Provision Within Havant (bid 16)

Southmoor Lane/Harts Farm Way Junction – Long Term Management Options (bid 17)

Solent Way Upgrade Project (bid 19)

Hermitage Restoration (bid 20)

West Brook South Flood Alleviation Scheme (bid 21)

Improving the School Grounds Mengham Junior School (bid 22)

Pathway from Car Park at Southdown View to Join New Pathway at Billy's Lake (bid 23)

Petersfield Road Cycle Accessibility (bid 24)

Pathway Works Front Lawn Recreation Ground Project (bid 25)

Appendix D: Submitted Bids Assessment (Regulation 123 List/CIL Pot)

Table 1A: Submitted Bids Assessed Against Infrastructure Prioritisation Criteria (Reg 123 List/CIL Pot)

Criteria	Bid Title																				
	Warblington Station Footbridge (Bid 1)	Langstone Flood and Coastal Erosion Management (FCERM) Scheme (Bid 2)	Belmont Grove Local Centre Enhancements (Bid 3)	Southmoor Lane, Harts Farm Way Junction Improvements (Short Term) (Bid 4)	Dunsbury Hill Farm Cycle and Pedestrian Links (Bid 5)	Elm Grove Enhancements (Bid 6)	Havant Town Centre Cycle Cross Links (Bid 7)	Hayling Billy Trail/Shipwrights Way: Reconstruction (Bid 8)	Milton Parade Local Centre Enhancements (Bid 9)	Point Seven Local Centre Enhancements (Bid 10)	Rusty Cutter Link Road - Congestion Relief Scheme (Bid 11)	Waterlooville Town Centre Enhancements (Bid 12)	West Street Havant Enhancements (Bid 13)	North Street Havant Enhancements (Bid 14)	Expansion of Primary School Provision within Havant (Bid 16)	Southmoor Lane/Harts Farm Way Junction - Long Term Traffic Management Options (Bid 17)	Havant Railway Footbridge - Detailed Design Only (Bid 18)	Heritage Restoration (Bid 20)	West Brook South Flood Alleviation Scheme (Bid 21)	Petersfield Road Cycle Accessibility (Bid 24)	Pathway Front Lawn (Bid 25)
Have CIL funds already been allocated to this project?	No	No	No	No (See Bid 17)	No	No	No	No	No	No	No	No	No	No	No	No but named in last CIL Bid decision	Yes	No	No	No	No
Contribute to delivery of Corporate Strategy Priorities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Deliver specific policies of Local Plan	CS18 CS19 CS20 DM11	CS9 CS15 CS19 CS20 DM9 AL4 HY1 HY2 DM18	CS1 CS2 CS4 CS6 CS16 CS20 DM11	CS2 HB2 BD9 BD10	CS1 CS18 DM11	CS4 CS16 CS20 DM11	CS1 CS6 CS8 CS20 HB1 DM11	CS1 CS5 DM11	CS1 CS2 CS4 CS6 CS16 CS20 DM11	CS1 CS2 CS4 CS6 CS16 CS20 DM11	CS2 HB2 BD9 BD10	CS6 AL7 WA1	CS2 CS4 CS6 CS16 CS20 DM11	CS2 CS4 CS6 CS16 CS20 DM11	CS7 CS19	CS2 HB2 BD9 BD10	CS6 CS7 CS18 CS19 CS20 H79 DM11	CS13 CS18 AL7 BD11	EM1 UE13	CS1 CS8 CS20 DM11	CS1 CS6 CS11 CS20
Contribute to delivery of other Council strategies	Yes	Yes	NK	NK	Yes	NK	Yes	Yes	NK	NK	NK	Yes	Yes	Yes	NK	NK	Yes	Yes	Yes	Yes	Yes
Included in the Regulation 123 List	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	No	Yes	No	No	No	Yes (LP only)	Yes	Yes	Yes	Yes	Yes	Yes
Included in the Infrastructure Delivery Plan	Yes	Yes	No	Yes	Yes	No	Yes	No	No	No	No	Yes	Yes	Yes	Partly	Yes	Yes	Yes	Yes	Yes	Yes
Other possible funding sources are insufficient	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes

Criteria	Warblington Station Footbridge (Bid 1)	Langstone Flood and Coastal Erosion Management (FCERM) Scheme (Bid 2)	Belmont Grove Local Centre Enhancements (Bid 3)	Southmoor Lane, Harts Farm Way Junction Improvements (Short Term) (Bid 4)	Dunsbury Hill Farm Cycle and Pedestrian Links (Bid 5)	Elm Grove Enhancements (Bid 6)	Havant Town Centre Cycle Cross Links (Bid 7)	Hayling Billy Trail/Shipwrights Way: Reconstruction (Bid 8)	Milton Parade Local Centre Enhancements (Bid 9)	Point Seven Local Centre Enhancements (Bid 10)	Rusty Cutter Link Road - Congestion Relief Scheme (Bid 11)	Waterlooville Town Centre Enhancements (Bid 12)	West Street Havant Enhancements (Bid 13)	North Street Havant Enhancements (Bid 14)	Expansion of Primary School Provision within Havant (Bid 16)	Southmoor Lane/Harts Farm Way Junction - Long Term Traffic Management Options (Bid 17)	Havant Railway Footbridge - Detailed Design Only (Bid 18)	Heritage Restoration (Bid 20)	West Brook South Flood Alleviation Scheme (Bid 21)	Petersfield Road Cycle Accessibility (Bid 24)	Pathway Front Lawn (Bid 25)
Lever in other funds (match or draw grant funding)	Yes	Yes	Yes	No	No	No	No	No	Yes	Yes	No	No	No	No	Possibly	No	Yes	Yes	Yes	No	Yes Main Project
Offer wider as well as local benefits	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Address specific impact of new development	Yes	Yes	No	Yes	Yes	No	No	No	No	No	Yes	Yes	No	No	Yes	Yes	Yes	No	Yes	No	Yes
Scale of Deliverability of wider project <sup>1</sup>	1	1	1	1	1	1	1	1	1	1	1	1	1	1	3	2	2	3	1	1	1
Project located wholly within Havant Borough	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Timescale: Short (SHO) /Medium (MED)/ Long Term (LON)	SHO/MED	SHO	SHO	SHO	SHO	SHO	SHO	SHO	SHO	SHO	SHO	SHO	SHO	SHO	MED	SHO	SHO	SHO	SHO	SHO	SHO
Type of bid: Feasibility (FEA), Preliminary Works (PRE) or project (PRO)	FEA PRO	FEAS	PRO	PRO	PRO	PRO	PRO	PRO	PRO	PRO	PRO	PRO	PRO	PRO	PRO	PRE	PR3	PRE PRO	PRO	PRO	PRO
i. Project plan including timetable and resources	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes	No	Yes	Yes
ii. Stakeholder support	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

<sup>1</sup> 1=Supports Local Plan and Prosperity Havant producing immediate benefits

<sup>2</sup> 2=Supports Local Plan and Prosperity Havant producing medium term but no short term benefits

<sup>3</sup> 3= Supports Local Plan and Prosperity Havant producing long term benefits but no short or medium term benefits

Criteria	Warblington Station Footbridge (Bid 1)	Langstone Flood and Coastal Erosion Management (FCERM) Scheme (Bid 2)	Belmont Grove Local Centre Enhancements (Bid 3)	Southmoor Lane, Harts Farm Way Junction Improvements (Short Term) (Bid 4)	Dunsbury Hill Farm Cycle and Pedestrian Links (Bid 5)	Elm Grove Enhancements (Bid 6)	Havant Town Centre Cycle Cross Links (Bid 7)	Hayling Billy Trail/Shipwrights Way: Reconstruction (Bid 8)	Milton Parade Local Centre Enhancements (Bid 9)	Point Seven Local Centre Enhancements (Bid 10)	Rusty Cutter Link Road - Congestion Relief Scheme (Bid 11)	Waterlooville Town Centre Enhancements (Bid 12)	West Street Havant Enhancements (Bid 13)	North Street Havant Enhancements (Bid 14)	Expansion of Primary School Provision within Havant (Bid 16)	Southmoor Lane/Harts Farm Way Junction - Long Term Traffic Management Options (Bid 17)	Havant Railway Footbridge - Detailed Design Only (Bid 18)	Heritage Restoration (Bid 20)	West Brook South Flood Alleviation Scheme (Bid 21)	Petersfield Road Cycle Accessibility (Bid 24)	Pathway Front Lawn (Bid 25)
iii. Arrangements for ongoing maintenance	NR	Yes	HCC	HCC	HCC	HCC	HCC	HCC	HCC	HCC	HCC	HCC	HCC	HCC	HCC	HCC	HCC	Yes	Yes	HCC	HBC
Critical (C) / Essential (E) / Desirable (D)	E	C	D	E	E	D	D	E	D	D	E	D	D	D	E	E	E	D	D	D	D
Amount requested in this round of Bidding (rounded)	£834K	£75K	£40K	£190,405	£555K	£300K	£433K	£192K	£106K	£85K	£135K	£375K	£400K	£350K	£4.28M	£100K	£300K	£1.388M	£500K	£90K	£150K

Legend

HBC = Havant Borough Council, HCC = Hampshire County Council, LP = Leigh Park, NK = Not known, NR = Network Rail

**Table 1B: Additional Prioritisation Filtering Criteria added to Critical and Essential Bids (Reg 123 List/CIL Pot)**

The bids in this chart have been ranked according to the responses in Table 1A with some additional filtering criteria outlined in the table below to continue applying a methodological approach to the analysis of the bids made:

Criteria	Bid Title	Enough CIL Funds in Pot for individual project	Critical	Essential	S106/CIL Funds at risk	Potential to lever in wider funding	Amount
	<b>Langstone Flood and Coastal Erosion Management (FCERM) Scheme (Bid 2)</b>	Yes	Yes	No	No	Yes	£75,000
	<b>Warblington Station Footbridge/Warblington School Footbridge (Bid 1)</b>	Yes	No	Yes	Yes	Yes	£833,623
	<b>Southmoor Lane, Harts Farm Way Junction Improvements (Short Term) (Bid 4)</b>	Yes	No	Yes	No*	No	£190,405
	<b>Havant Railway Footbridge - Detailed Design Only (Bid 18)</b>	Yes	No	Yes	Yes	Yes	£300,000
	<b>Rusty Cutter Link Road - Congestion Relief Scheme (Bid 11)</b>	Yes	No	Yes	No	No	£135,000
	<b>Southmoor Lane/Harts Farm Way Junction – Long Term Traffic Management Options (Bid 17)</b>	Yes	No	Yes	No	Yes	£100,000
	<b>Dunsbury Hill Farm Cycle and Pedestrian Links (Bid 5)</b>	Yes	No	Yes	No	No	£555,000
	<b>Payling Billy Trail/Shipwrights Way: Reconstruction (Bid 8)</b>	Yes	No	Yes	No	No	£192,000
	<b>Expansion of Primary School Provision within Havant (Bid 16)</b>	No	No	Yes	No	No	£4,280,000

\* S106 funds now being allocated to project by HCC

## Appendix E: Submitted Bids Assessment Neighbourhood Portion

<div style="text-align: center;">Bid Title</div> <div style="text-align: left;">Criteria</div>	Northney Coastal Path (Bid 15)	Solent Way Upgrade Project (Bid 19)	Improving the School Grounds Mengham Junior School (Bid 22)	Pathway from Car Park at Southdown View to join new pathway at Billy's Lake (Bid 23)	The Hub - HICCA Annex (Bid 26)
Have CIL funds already been allocated to this project?	No	No	No	No	No
Contribute to delivery of Corporate Strategy Priorities	Yes	Yes	Yes	Yes	Yes
Deliver specific policies of Local Plan	CS1 CS11 CS15 CS20	CS1 CS5 CS11 CS15 CS13	CS7	CS1 CS6 CS11 CS13 CS20	CS1 CS2 CS3 CS6 CS7 CS19 HY1 HY2
Contribute to delivery of other Council strategies	Yes	Yes	Not known	Yes	Yes
Included in the Regulation 123 List	Yes	Yes	No	Yes	Yes
Included in the Infrastructure Delivery Plan	No	No	No	Yes	No
Other possible funding sources are insufficient	Unknown	Unknown	Yes	Yes	Yes
Lever in other funds (match or draw grant funding)	Potentially	Potentially	No	Already achieved	Already achieved

<b>Criteria</b>	<b>Northey Coastal Path (Bid 15)</b>	<b>Solent Way Upgrade Project (Bid 19)</b>	<b>Improving the School Grounds Mengham Junior School (Bid 22)</b>	<b>Pathway from Car Park at Southdown View to join new pathway at Billy's Lake (Bid 23)</b>	<b>The Hub - HICCA Annex (Bid 26)</b>
<b>Offer wider as well as local benefits</b>	Yes	Yes	No	Yes	Yes
<b>Address specific impact of new development</b>	Yes	Yes	Yes	Yes	Yes
<b>Scale of Deliverability of wider project<sup>1</sup></b>	1	1	1	1	1
<b>Project located wholly within Havant Borough</b>	Yes	Yes	Yes	No	Yes
<b>Timescale: Short (SHO) /Medium (MED)/ Long Term (LOT)</b>	SHO	SHO	SHO	SHO	SHO
<b>Type of bid: Feasibility (FEA), Preliminary Works (PRE) or project (PRO)</b>	PRO	PRO	PRO	PRO	PRO
<b>i. Project plan including timetable and resources</b>	No	No	No	No	Yes
<b>ii. Stakeholder support</b>	Yes	Yes	Yes	Yes	Yes
<b>iii. Arrangements for ongoing maintenance.</b>	Yes	NK	Yes	Yes	Yes
<b>Critical (C) / Essential (E) / Desirable (D)</b>	D	D	D	D	D

<sup>1</sup> 1=Supports Local Plan and Prosperity Havant producing immediate benefits

2=Supports Local Plan and Prosperity Havant producing medium term but no short term benefits

3= Supports Local Plan and Prosperity Havant producing long term benefits but no short or medium term benefits



Criteria	Northey Coastal Path (Bid 15)	Solent Way Upgrade Project (Bid 19)	Improving the School Grounds Mengham Junior School (Bid 22)	Pathway from Car Park at Southdown View to join new pathway at Billy's Lake (Bid 23)	The Hub - HICCA Annex (Bid 26)
Sum requested in this round of CIL Bidding	£90,000	£55,000	£7,000	£24,500	£42,638
Ranking of bid after application of all the above criteria	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	1 <sup>st</sup>

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## **Community Infrastructure Levy (CIL) Funding Decision Protocol (Amended XX Month 2017)**

### **Introduction**

1. Havant Borough Council is responsible for making the final decision on the allocation of funding raised through the Community Infrastructure Levy (CIL). This will be achieved through an annual process which aligns with the Council's annual capital spending programme. The aim of the Protocol is to ensure that decision making process is transparent. Through it the Council will identify and agree priorities for the use of CIL and agree the allocation of funds on an annual basis. This revised Protocol takes account of lessons learned from use of the Protocol during 2015/2016.

### **Key Principles**

2. CIL collected will be used to provide infrastructure to support growth within the borough. Of this:
  - i. 95% of CIL receipts will be allocated by the Council for investment in infrastructure for the borough, in accordance with the Community Infrastructure Levy Funding Decision Protocol; recognising that the Neighbourhood Portion is held within this sum and
  - ii. 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.
3. Other key principles:
  - Funds to be targeted so that they address identified infrastructure priorities and address the impacts of development
  - Procedures and timetable should run on an annual basis, be aligned with the annual budget decision making process and include a review of the Regulation 123 List
  - The allocation decisions to be based on funds available as at the end of the monitoring year (31 March)
  - Opportunities for joint funding of schemes will be considered where these reflect shared priorities and attract additional sources of funding e.g. through Flood Defence Grant in Aid or grants via the Solent LEP

## Summary of Process and Timetable

4. The process begins with the gathering of information:
  - (i) If timely, to update the Infrastructure Delivery Plan in accordance with the requirements of the Local Plan.
  - (ii) To collate data to inform projections of the likely amount of CIL available for allocation to infrastructure projects.
5. Stakeholders (outlined in Appendix 1) are invited to submit individual draft proposals, using the form at Appendix 2, within 6 weeks. It is expected that Havant Borough Council Services and Hampshire County Council will be the main bidders. Service and infrastructure providers will be informed of the likely level of funds available to encourage realistic bids, which can also be made by Havant Ward Councillors on behalf of the communities in their areas. In respect of bidding for the Neighbourhood Portion, stakeholders will be extended to include resident's associations and local voluntary groups.
6. Assessment of the proposals is then undertaken in light of available funds and final draft spending programme(s) are prepared. These will be presented to Cabinet for decision and recommendation to Full Council alongside the Capital Spending Programme (usually in February). Cabinet and Council will be asked to agree the allocation of funding for the identified projects in the forthcoming financial year and if necessary for business reasons, projects for funding beyond this timescale.
7. Cabinet and Council will also be asked to confirm the Regulation 123 List, which may be amended if necessary, subject to appropriate consultation.
8. The table below summarises the process and sets out the timetable, including consultation:

**Table 1: Summary of Process and Timetable**

<b>Month</b>	<b>Action</b>
February	Set CIL bidding dates for forthcoming year and advise Stakeholders of timetable
March	Update and publish revised Infrastructure Delivery Plan if applicable/interdependent on Local Plan resourcing
Start of June	Service and Infrastructure Providers, Ward Councillors and Neighbourhood Portion Stakeholders invited to submit bids. Bidding process advertised through Local Plan Newsletter
August	Assessment of bids and preparation of summary report/liaison with Bidders
September	Briefing session to Councillors
October	Report to Executive Board
December/January	Report to Cabinet Briefing and Cabinet. Cabinet considers Spending Programme and recommends to Council.

<b>Month</b>	<b>Action</b>
February	Council agree Spending Programme for following financial year. Decision(s) conveyed to Stakeholders

### **Bidding for Funding**

9. Bids for the funding of schemes and projects should be supported by robust evidence of the cost and practicality of delivering the scheme or project, including an exploration of alternative or match sources of funding.
10. Bids should include evidence of existing demands (including demands from permitted developments), additional demands likely to arise from 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 set out the full costs of the scheme and the timescales for implementation.
11. 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**

12. The levy must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure<sup>1</sup> needed to support the development of the area, although there is more freedom regarding the use of the Neighbourhood Portion which can also be applied to 'anything else that is concerned with addressing the demands that development places on an area'. 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.
13. 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

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<sup>1</sup> "Infrastructure" includes roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces. (S216, Planning Act 2008, as amended by Regulation 63)

therefore be key evidence to assist with prioritisation. The trajectory will be updated annually in conjunction with the Annual Monitoring Report so that the anticipated levels of growth can be fed into the CIL spending review process.

14. To be given consideration, schemes should meet a number of criteria:

**Table 2: Infrastructure Prioritisation Criteria**

<b>Criteria</b>	<b>Yes/No</b>
Contribute to the delivery of key development sites in the Borough	
Be included in the Regulation 123 List	
Be included in the Infrastructure Delivery Plan	
(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	

**Preparing the Draft Spending Programme**

15. The Regulation 123 List identifies what types of infrastructure the Council will fund/or part fund through CIL rather than through S106 Obligations. The 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 and illustrated by the flow chart at Appendix 3:

**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.

16. It should be noted that the process does not need to be applied to fully funded projects that are not yet started or completed.
17. Once the infrastructure projects have been checked against the Infrastructure Delivery Plan and R123 List and 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 3 years), medium term (within 7 years) or long term projects (in excess of 7 years).
18. 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.
19. To guide decisions a table will be set out, providing at a glance comparison of the projects – see Appendix 4. 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.
20. When recommendations for spending are made, the decision could also be taken not to allocate any/all funds, instead deciding to pot build with a view to future expenditure on larger infrastructure projects.

### **Payment of Funds**

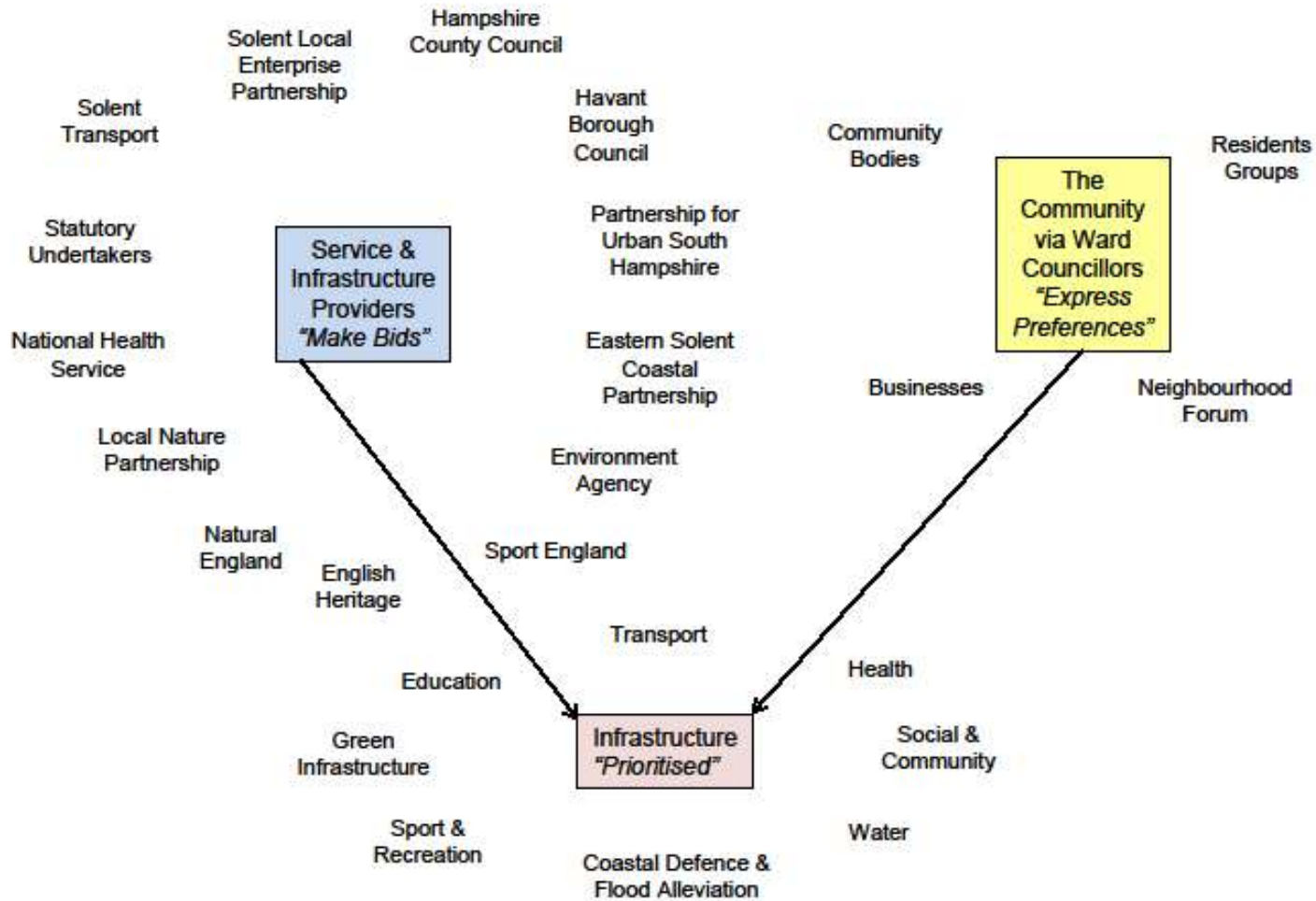
21. The Council will ensure timely release of funds when invoices are received for satisfactorily completed works.

### **Monitoring**

22. CIL Income is reported quarterly to the Head of Planning. The Council will set out in the Annual Monitoring Report the amount of CIL that has been received, spent (and on what) and the sum remaining in the fund in the reporting year. The progress of spends will be monitored and reported to the Economy, Planning, Development and Prosperity Havant Scrutiny and Policy Development Panel.



Stakeholder Analysis





## Bid for Funding from Community Infrastructure Levy

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?

**How will the scheme help support the ongoing development of Havant Borough, taking account of where development has or is proposed to take place and the capacity of existing infrastructure to meet those additional demands.**

*(the Havant Borough Local Plan can be viewed here: [www.havant.gov.uk/community-infrastructure-levy-cil/community-infrastructure-levy-spending-bid-process-2016](http://www.havant.gov.uk/community-infrastructure-levy-cil/community-infrastructure-levy-spending-bid-process-2016))*

**What are the costs of the project?**

--

**What other funding sources have been identified/explored?**

--

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

--

**b. Is the project likely to be directly linked to and necessary as a result of foreseeable development and therefore a separate S106 contribution or S278 may be justified?**

--

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

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

--

**b. If it is 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:**

--

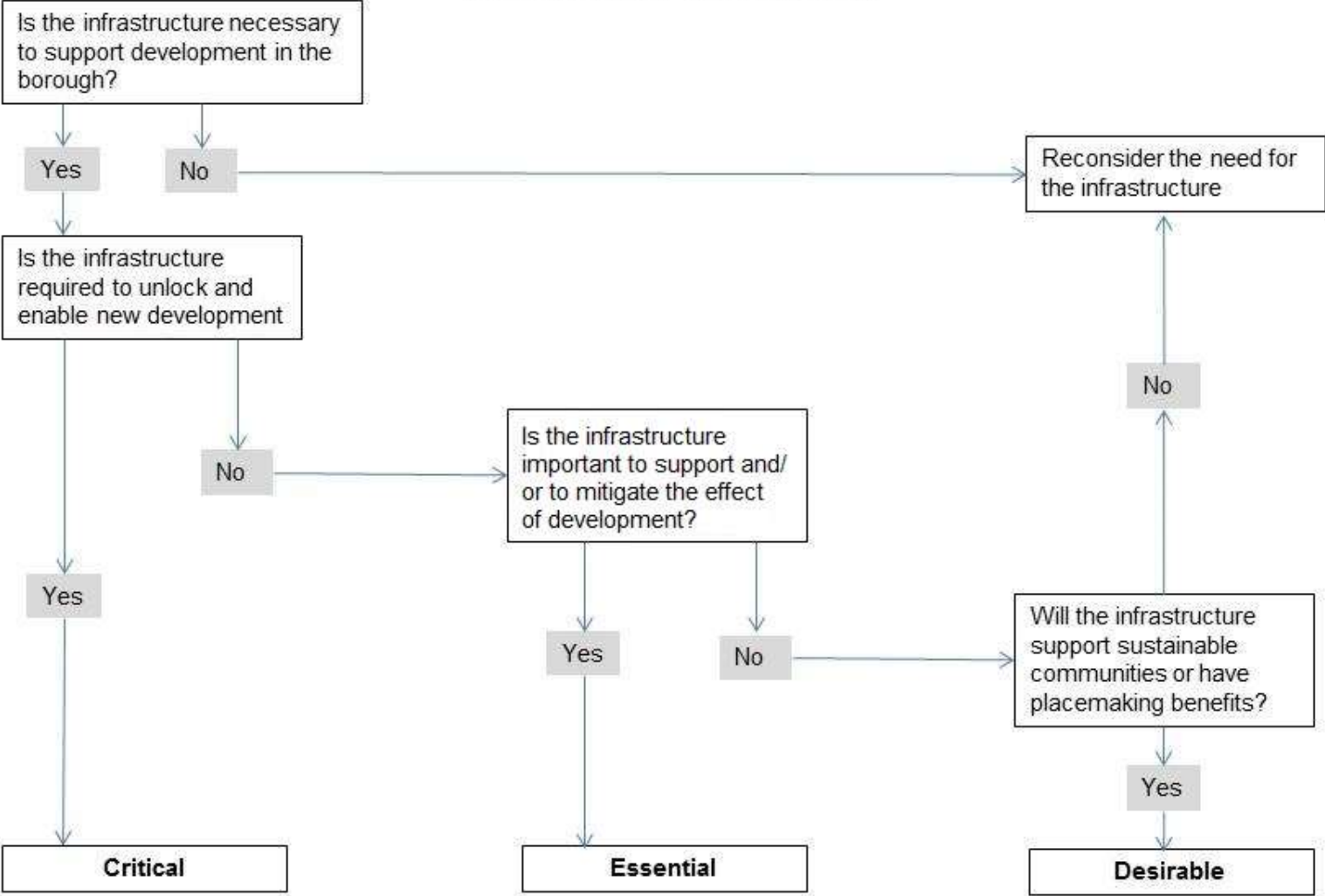
**Please return form by Friday 5<sup>th</sup> August 2016**

To: <a href="mailto:cil@havant.gov.uk">cil@havant.gov.uk</a>	Or: CIL Team, Planning Services Havant Borough Council Public Service Plaza Civic Centre Road Havant PO9 2AX
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**You may wish to add a photo representing your bid to support your application**



### Prioritisation Process Chart



**Prioritised Infrastructure Projects Proforma**

No	Criteria	Have CIL funds already been allocated to this project?	Contribute to delivery of Corporate Strategy Priorities	Deliver specific policies of Local Plan	Contribute to delivery of other Council strategies	Included in the Regulation 123 List	Included in the Infrastructure Delivery Plan	Other possible funding sources are insufficient	Lever in other funds (match or draw grant funding)	Offer wider as well as local benefits	Address specific impact of new development	Scale of Deliverability of wider project <sup>1</sup>	Project located wholly within Havant Borough	Timescale: Short (SHO) /Medium (MED)/ Long Term (LON)	Type of bid: Feasibility (FEA), Preliminary Works (PRE) or project (PRO)	i. Project plan including timetable and resources	ii. Stakeholder support	iii. Arrangements for ongoing maintenance	Critical (C) / Essential (E) / Desirable (D)	Sum requested in this round of CIL Bidding (rounded)
	Bid Title																			

<sup>1</sup>

1=Supports Local Plan and Prosperity Havant producing immediate benefits

2=Supports Local Plan and Prosperity Havant producing medium term but no short term benefits

3= Supports Local Plan and Prosperity Havant producing long term benefits but no short or medium term benefits

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## **Appendix G – History of CIL Expenditure**

On 18 February 2015, Full Council approved expenditure for:

- ‘1. Up to £50,000 of CIL funding be used, working in partnership with Hampshire County Council, to commission a feasibility study into the costs, options for construction and a business case for the Havant Station footbridge to lever in funding from other sources;*
- 2. Remaining funds collected up to 31 March 2015 to be carried forward, pending the outcome of the studies for the Havant Station Footbridge and the Southmoor Lane/Harts Farm Way junction signalisation options;*
- 3. Other bids be not supported at this time, due to the limited funds currently available from the Community Infrastructure Levy.’*

### **Previous Spending Decisions and Outcome of Studies**

#### **Havant Footbridge Feasibility Study**

Payments made:

£1,364.59 February 2016: Work assigned to and completed by Engineering and Landscape Teams to support Hampshire County Council (HCC) Feasibility Project Production.

£31,500.00 April 2016: Payment to HCC, Havant Footbridge Replacement – feasibility project production to support infrastructure project.

Total spend to-date £32,864.59, this is the final spend total (this means that £17,135.41 has been returned to the CIL ‘Pot’).

Caroline Richardson HCC, Economy, Transport and Environment Department comments:

*‘The total cost for implementing a standard bridge is estimated at £3.5 million. This includes construction costs, preliminaries, fees and development cost, with a contingency of 40%.’*

This report has now been received and is with the Head of Planning.

A further bid for CIL Funds has been received as part of the 2016 CIL Bidding Process:

HCC (Bid 18): £300,000 to carry out the detailed design of a new footbridge. This would follow on from the current Hampshire County Council feasibility study into bridge options, outline designs and public consultation. This project would include obtaining a cost estimate and all the necessary consents including planning permission and network rail approvals ready to progress to delivery when funding becomes available.

## **Southmoor Lane/Harts Farm Way Junction Signalisation Options**

There are two bids submitted as part of the 2016 CIL Bidding Process and these are assessed further later in the main report and Appendix D, these bids are:

HBC (Bid 4) short term: £528,000, to improve the junction layout at Southmoor Lane, Harts Farm Way, Brockhampton Road, Brookside Road for vehicles, cyclists and pedestrians with a roundabout with improved approaches.

HCC (Bid 17) long term: £100,000 to identify a deliverable scheme and obtain a cost estimate for reducing peak hour delays at the Southmoor lane approach to the junction.



## Appendix H – Supporting Sources Neighbourhood Portion

The Community Infrastructure Levy (Amendment) Regulations 2013 set out the following:

<p><b>‘Application of CIL by local councils</b></p> <p><b>59C.</b> A local council must use CIL receipts passed to it in accordance with regulation 59A or 59B to support the development of the local council’s area, or any part of that area, by funding—</p> <p>(a) the provision, improvement, replacement, operation or maintenance of infrastructure; or</p> <p>(b) anything else that is concerned with addressing the demands that development places on an area.’</p>
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Planning Practice Guidance also states ‘Local authorities must allocate at least 15% of levy receipts to spend on priorities that should be agreed with the local community in areas where development is taking place<sup>1</sup>’. It also provides a useful table which is recreated below:

<p>Parish Council ✓</p> <p>Neighbourhood Plan ✓</p> <p>= 25% uncapped, paid to Parish</p>	<p>Parish Council ✓</p> <p>Neighbourhood Plan ✗</p> <p>= 15% capped at £100/dwelling, paid to Parish</p>
<p>Parish Council ✗</p> <p>Neighbourhood Plan ✓</p> <p>= 25% uncapped, local authority consults with community</p>	<p>Parish Council ✗</p> <p>Neighbourhood Plan ✗</p> <p>= 15% capped at £100/dwelling, local authority consults with community</p>

**Table H1: Relationship between the levy and neighbourhood plans in England**

<sup>1</sup> Paragraph: 072 Reference ID: 25-072-20140612

Havant Borough Council is the fourth scenario in Table H1 as it has no Parish Councils and no Neighbourhood Plans, although it should be noted that a Neighbourhood Plan is currently being prepared covering Emsworth Ward.