

HAVANT BOROUGH COUNCIL  
PUBLIC SERVICE PLAZA  
CIVIC CENTRE ROAD  
HAVANT  
HAMPSHIRE P09 2AX



**Havant**  
BOROUGH COUNCIL

Telephone: 023 9244 6019  
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26 January 2024

## SUMMONS

Dear Councillor

You are requested to attend the following meeting:

**Meeting:** Planning Policy Committee  
**Date:** Monday 5 February 2024  
**Time:** 5.30 pm  
**Venue:** Hurstwood Room, Public Service Plaza, Civic Centre Road,  
Havant, Hampshire PO9 2AX

The business to be transacted is set out below:

Steve Jorden  
Chief Executive

### PLANNING POLICY COMMITTEE MEMBERSHIP

**Chairman:** Councillor Patel

Councillors Guest (Vice-Chairman), Gray, Kennett, Linger, Milne, Payter, Redsull and Tindall

Contact Officer: Ernest Lam 02392446350  
Email: [ernest.lam@havant.gov.uk](mailto:ernest.lam@havant.gov.uk)

### AGENDA

**Can Councillors Please Submit Any Detailed Technical Questions On The Items Included In This Agenda To The Contact Officer By 12 Noon On Wednesday, 31 January 2024**

**1 Apologies for Absence**

To receive and record any apologies for absence.

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<b>2</b>	<b>Minutes</b>	<b>1 - 4</b>
	To approve the minutes of the Planning Policy Committee held on 4 July 2023.	
<b>3</b>	<b>Declarations of Interests</b>	
	To receive and record any declarations of interests from Members present.	
<b>4</b>	<b>Update of Community Infrastructure Levy Spending Protocol</b>	<b>5 - 32</b>

## GENERAL INFORMATION

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- concerns a Council employment or staffing matter or sensitive personal information about a Councillor;
- is unrelated to an item on the agenda for the meeting; or
- has been previously considered in the last 6 months.

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By Post to :

Democratic Services Officer  
Havant Borough Council  
Public Service Plaza  
Civic Centre Road  
Havant, Hants P09 2AX

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Havant Borough Council  
Public Service Plaza  
Civic Centre Road  
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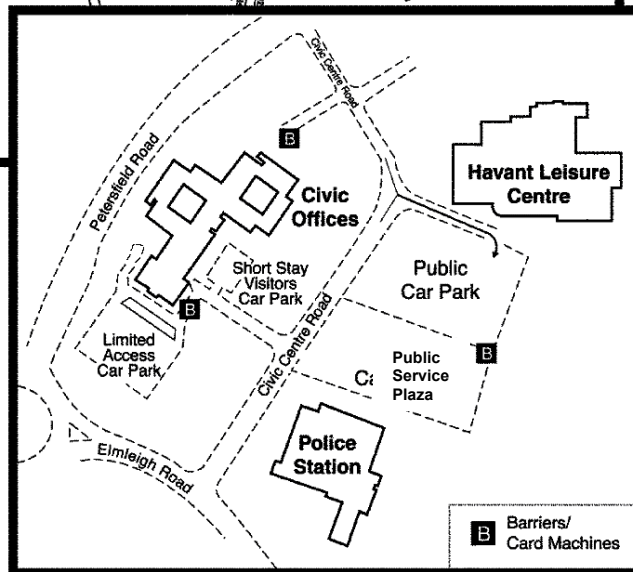
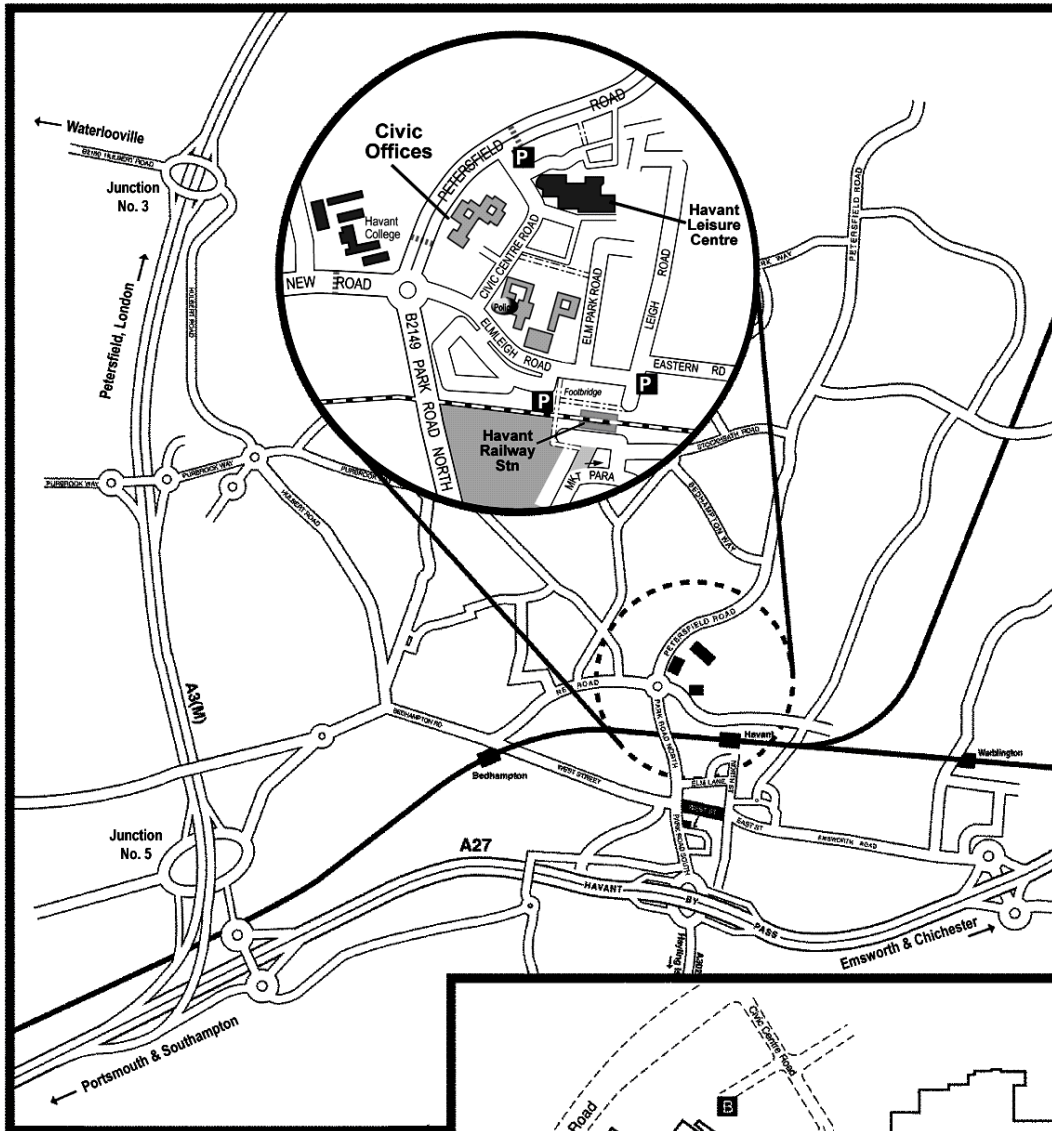
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## HAVANT BOROUGH COUNCIL

At a meeting of the Planning Policy Committee held on 4 July 2023

Present

Councillor Patel (Chairman)

Councillors Paul Gray, Kennett, Linger, Redsull, Scannell, Tindall and Bowdell  
(Cabinet Lead)

Other Councillors Present:

Councillor(s): Philippa Gray, Rason and Bowerman

### **10 Apologies for Absence**

Apologies for absence were received from Councillor Milne.

### **11 Declarations of Interests**

There were no declarations of interests relating to matters on the agenda.

### **12 Legal Agreement for Warnford Park Estate Nutrient Mitigation Scheme**

(Councillor Scannell joined the meeting when the presentation was well underway, and therefore did not take part in the vote but was allowed to take part in question and debate sessions.)

The Committee considered a report that would recommend to Cabinet to delegate authority to the Executive Head of Place (in consultation with the Monitoring Officer and Section 151 officer) to enter into a legal agreement for the Warnford Park Estate nutrient mitigation scheme to ensure a continuing supply of nutrient mitigation and efficient way of monitoring and enforcing that mitigation scheme. This would enable developers for large scale developments in Havant Borough to access nutrient mitigation from a third party mitigation scheme, reflecting that the Council's strategic mitigation scheme at Warblington Farm would be reserved for use by smaller scale developments. The report also sought to delegate authority to the Executive Head of Place in consultation with the Cabinet Lead for Planning, Environment and Water Quality to enter into further legal agreements with appropriate third party mitigation schemes following agreement of them from Natural England.

The Committee received supplementary information, circulated prior to the meeting, which included written depositions submitted by:

1. Mr Budden
2. Councillor Rason
3. Mr Hunnibal

4. Ms Brooks, on behalf of the Havant Climate Alliance and Friends of the Earth

The Committee was addressed by:

1. Mr Hunnibal, who reiterated the issues set out in the written deputation submitted.
2. Councillor Rason, who reiterated the issues set out in the written deputation submitted. Councillor Rason added that there were no mention of phosphates in the mitigation scheme.

The Officers commented on the issues raised in the written deputation as follows:

1. The Council were not seeking to block purchase or reserve any mitigation from a third party mitigation scheme. There would not be any direct financial implications to the Council from the recommendations.
2. The proposal would primarily facilitate and benefit brownfield land. Some greenfield sites in agricultural use would not generally require mitigation, with nutrient neutrality being achieved on site.
3. Natural England considered the timescales for passage of nutrients from the land to the surface water network would likely to be very short, with the benefits of mitigation likely to be felt in advance of the occupation of development relying on the scheme for nutrient offsetting.
4. Any legal agreements for future strategic mitigation schemes would only be entered into after they were signed off by Natural England.
5. Warnford Park is a private sector scheme and is not within Council's power to limit eligibility.
6. Natural England hold the Council and developers to account, and they would not be actively facilitating the mitigation scheme.
7. In relation to water usage of new developments, the specific figures for water efficiency within the Natural England methodology for nutrient neutrality are based on those in the building regulations.
8. The Borough was not currently facing any water quality issues in relation to phosphates. Though elsewhere within the sub-region development draining to the mid and upper Itchen is having to address this issue.

In response to questions from members of the Committee, officers stated that:

1. Developers can reserve capacity for their development in a particular mitigation scheme. A "deed of allocation" would identify a part of mitigation scheme and link it with the amount of mitigation required by the development to avoid double counting.
2. The recommendations were not to earmark or reserve any credits. It would instead ensure a robust enforcement and monitoring process for Warnford Park.
3. The issue of housing growth should not be conflated with the issue of allowing the Council to meet its legal obligations under Habitat Regulations.



4. By requiring information at validation stage, there would be a means of residents to comment on mitigation schemes put forward on individual planning applications.
5. Delegation in consultation with the Cabinet Lead would mean that future items similar to Warnford Park Scheme would not go to the Committee. Nonetheless, updates on the natural environment, including nutrient neutrality would be brought to the Committee on a regular basis.
6. The best available scientific evidence as set out by the Government consultation body indicated that the mitigation at Warnford Park would be suitable for development draining to Budds Farm Wastewater Treatment Works.
7. If on-going monitoring showed that there are issues with the effectiveness of the mitigation scheme, the Council as competent authority would not approve further development schemes using this mitigation.
8. The officers would update the Committee on the efficacy of the Warnford Park scheme in the future.

The Committee discussed the application in detail together with the views raised by deputees.

The Committee considered its role and recognised that it was not in the Committee's responsibility to scrutinise Natural England. The Committee also acknowledged that there would be ongoing monitoring of the Warnford Park scheme. Furthermore, the Committee also considered that if a legal agreement for the scheme was not in place, then brownfield sites could not come forward for development, whilst greenfield sites could continue.

RESOLVED that Members recommend to Cabinet to enter into a nutrient neutrality mitigation agreement and delegate authority:

1. To the Executive Head of Place in consultation with the Monitoring Officer and Section 151 officer to enter into a legal agreement with the South Downs National Park Authority and the mitigation land owner at Warnford Park, Warnford, Hampshire;
2. To the Executive Head of Place in consultation with Cabinet Lead for Planning, Environment and Water Quality to enter into other legal agreements for third party strategic nutrient neutrality mitigation schemes, following agreement of them from Natural England.

Members have also agreed that officers:

1. Update the Planning Policy Committee annually, or sooner if requested by the Chair, on the planning based measures being put in

place to preserve and enhance the Borough's natural environment.  
This would include, but not be limited to, nutrient neutrality.

**The meeting commenced at 5.00 pm and concluded at 6.34 pm**

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**Chairman**

<b>Name of Committee:</b>	Planning Policy Committee Full Council		
<b>Committee Date:</b>	05/02/2024		
<b>Report Title:</b>	Update of Community Infrastructure Levy Spending Protocol		
<b>Responsible Officer:</b>	Executive Head of Place		
<b>Cabinet Lead:</b>	Deputy Leader of the Council, Cabinet Lead for Communities and Housing		
<b>Status:</b>	Non-Exempt		
<b>Urgent Decision:</b>	No	<b>Key Decision:</b>	No
<b>Appendices:</b>	Appendix A - Community Infrastructure Levy (CIL) Spending Protocol (2024)  Appendix B - Proposed Community Infrastructure Levy (CIL) Spending Protocol (Track Changes Version)		
<b>Background Papers:</b>	<ul style="list-style-type: none"> <li>• CIL Spending Protocol 2022: <a href="https://www.havant.gov.uk/cil-spending-protocol-2022">CIL Spending Protocol 2022_0.pdf (havant.gov.uk)</a></li> <li>• The Community Infrastructure Levy Regulations 2010 (as amended)</li> <li>• The Capital Strategy</li> <li>• Cabinet Papers 08/11/23 – ‘Update of Capital Strategy’</li> </ul>		
<b>Officer Contact:</b>	Name: Louise Weaver Email: <a href="mailto:louise.weaver@havant.gov.uk">louise.weaver@havant.gov.uk</a>		
<b>Report Number:</b>	HBC/74/2024		

**Corporate Priorities:**

When decisions on Community Infrastructure Levy (CIL) spending are made, whilst being in accordance with the CIL Regulations 2010 (as amended), they must also support the Corporate Strategy and the CIL Spending Protocol. The latest Corporate Strategy 2022-2026 concentrates on the following themes:

- Wellbeing – Health of our communities
- Pride in Place – Creating a great place to live, work and enjoy
- Growth – Building our future

## **Executive Summary:**

The Council collects Community Infrastructure Levy (CIL) monies from developers that undertake building projects in the borough. The purpose of the CIL Spending Protocol is to guide spending decisions in relation to CIL and to make that process transparent. The protocol was last approved at Council on 16 March 2022. Since then, minor changes have been made following the recommendation of Planning Policy Committee on 30 May 2023 and at Cabinet 8 November 2023 when a decision was taken for the Capital Strategy to be amended to reflect the role of the CIL Spending Protocol 2022.

The main changes proposed compared to the currently adopted protocol are:

- (i) To reference the Capital Strategy agreed at Council on 22 February 2023 and the updates to it agreed on 8 November 2023 and bring CIL allocations in line with this document.
- (ii) To note decisions on Strategic CIL will be presented to Cabinet for consideration as part of the capital budget setting process, before being agreed by Full Council.
- (iii) To restate the importance of the infrastructure Delivery Plan (IDP).
- (iv) For the Neighbourhood Portion CIL Spending Protocol, to allow the council to extend expenditure to assets not owned by the council where delivery projects are directly linked to the Corporate Strategy.

## **Recommendations:**

Planning Policy Committee is requested to recommend to Council:

- a) To approve the Community Infrastructure Levy (CIL) Spending Protocol (2024) (Appendix A)
- b) To delegate authority to the Executive Head of Place, in consultation with the relevant Cabinet Lead to amend the CIL Spending Protocol following adoption, provided those changes are limited to the correction of factual errors and changes necessary to accommodate national or local changes in regulations, guidance or procedures and shall not otherwise alter the meaning of the Protocol.
- c) To delegate authority to the Executive Head of Place, in consultation with the relevant Cabinet Lead to prepare guidance and relevant process notes for the implementation and administration of CIL spending decisions in line with the Spending Protocol.
- d) To delegate authority to the Executive Head of Place, in consultation with the relevant Cabinet Lead to determine applications for spends from the Neighbourhood Portion; subject to the total expenditure not exceeding that set out in the Capital Spending Programme for the stated year.
- e) To update the Local Scheme of Delegation to record the delegation of authority at b–d above and the revocation of the earlier authorisations contained in b–g of Council minute 83/03/201

## 1.0 Introduction

- 1.1 Havant Borough Council is responsible for determining how funds raised from the Community Infrastructure Levy (CIL) should be spent, within the regulatory framework. The current mechanism for this is the CIL Spending Protocol March 2022, implemented from 1 April 2022.
- 1.2 A report was taken to Cabinet on 8 November 2023 by the Chief Finance Officer, the Executive Summary read: *'In March 2022 the Council adopted its Community Infrastructure Levy (CIL) Spending Protocol. In March 2023 the Council adopted the Capital Strategy amongst other finance and spending strategies. An unforeseen consequence of the adoption of the Capital Strategy in 2023 was that there now exists a divergence in the two spending regimes which could lead to confusion... whilst CIL is a capital resource and will be aligned to the Capital spending process CIL spending will operate under the 2022 protocol and not as part of the Capital Strategy as adopted in 2023.'* Cabinet recommended to Council: *'The Capital Strategy be amended to confirm that CIL spending decisions are governed by the separate CIL Spending Protocol March 2022; Authority be delegated to the Chief Finance Officer to amend the Capital Strategy.'*
- 1.3 The CIL Spending Protocol is therefore in need of amendment, particularly to make Full Council the decision-making body for Strategic CIL in accordance with the Capital Strategy. Decisions on spending are timetabled to take place 28/02/2024 as part of the capital budget setting process.

## 2.0 Background

- 2.1 To reflect the minor changes necessary, updates are proposed to the 2022 Protocol. The updated Protocol will ensure that the decision-making process is transparent, proportionate to each type of CIL and facilitate the implementation of the Corporate Strategy. It will guide the way future spend from CIL funds is allocated to projects.
- 2.2 When the CIL Spending Protocol was last approved at Council on 16 March 2022, there was a mechanism for annual review at Paragraph 6.4, this should be maintained and is restated below.

- 2.3 In addition to ongoing monitoring by officers, the Council's spending of CIL will be monitored and reviewed annually by the Planning Policy Committee. The review will consider whether the funding distribution for the Neighbourhood Portion set out in this protocol remains appropriate, and most importantly, whether delivery of projects using CIL funds is ensuring that the borough's infrastructure capacity is being expanded in line with new development coming forward. Where changes are proposed by Planning Policy Committee these will be proposed to the Executive Head of Place as per Recommendation b) of this report.
- 2.4 More regularly the Cabinet Lead Report to Full Council will provide detail on allocation and expenditure of CIL funds.
- 2.5 Whilst Strategic CIL allocations will be captured through the budget setting process, Neighbourhood Portion allocations will be reported by the S151 Officer on a quarterly basis.
- 2.6 The Infrastructure Delivery Plan (IDP) will form a key part of the evidence base to support the Borough's new Local Plan, entitled 'Building a Better Future.' It will also influence the council's developer contributions spending decisions. In addition, other workstreams, such as the council's Regeneration and Economy Strategy will rely heavily on infrastructure investment. As such, the CIL Spending Protocol has been prepared so that it can dynamically adapt to the development of these various strategies and plans, all of which will support the Corporate Strategy.

### **3.0 Options**

- 3.1 It is proposed to make the changes proposed in order to reflect previously agreed decisions.
- 3.2 The alternative is to keep the Protocol as is. This will prevent the alignment of CIL Spending with the subsequently agreed Capital Strategy, identification of the importance of the IDP and prevent the use of Neighbourhood Portion on a wider range of projects, all of which will continue to deliver substantial improvements to local infrastructure assets that are used by a wide variety of residents and

groups. This was highlighted in the report to Cabinet, 8 November 2023, from the Chief Finance Officer.

#### **4.0 Proposed changes to the Protocol**

##### **Capital Strategy**

- 4.1 The spending of CIL will be aligned to the Capital Spending Programme (in accordance with the Capital Strategy 2023/4 to 2027/8 agreed at Council on 22/2/2023 and amended following Cabinet of 08/11/23). However, there are nuances in the spending of the different types of CIL.

##### **Strategic CIL**

- 4.2 Strategic CIL will be approved for release in line with the Capital Spending Programme. Any overspends will be considered in accordance with the Capital Strategy.

##### **Neighbourhood CIL**

- 4.3 For the Neighbourhood Portion the total budget envelope will be detailed in the Capital Spending Programme with funds allocated to the themes set out in the Protocol.
- 4.4 At the beginning of the financial year the Development Infrastructure Team will administer applications for Neighbourhood Portion spending with decisions on projects delegated to the Executive Head of Place, in consultation with the relevant Cabinet Lead and relevant Ward Councillors. If there are funds remaining after this process additional allocations may be considered until the particular theme is exhausted.

#### **5 Relationship to the Corporate Strategy**

- 5.1 When decisions on CIL spending are made, whilst being in accordance with the CIL Regulations 2010 (as amended), they must also support the Corporate Strategy. The latest Corporate Strategy 2022-2026 concentrates on the following themes:
- Wellbeing – Health of our communities
  - Pride in Place – Creating a great place to live, work and enjoy
  - Growth – Building our future
- 5.2 As discussed earlier at Paragraph 2.6 ‘...the CIL Spending Protocol has been prepared so that it can dynamically adapt to the development of these various strategies and plans, all of which will support the

Corporate Strategy.’ This statement applies equally to Neighbourhood Portion spending decisions.

- 5.3 An amendment is also proposed in respect of the ‘Best Use of Funds’ (shown in Appendix B Paragraph 2.4 g) to allow the council to extend expenditure to assets not owned by the council where projects are directly linked to delivery of the Corporate Strategy. Amongst other projects this will facilitate spending of the Neighbourhood Portion in respect of Waterlooville Town Centre.

## **6 Conclusion**

- 6.1 The CIL Regulations 2010 (as amended) are not prescriptive in the manner Strategic CIL expenditure is spent. This statement also applies to the Neighbourhood Portion CIL as the Council is unparished.
- 6.2 When the CIL Spending Protocol 2022 was agreed at Full Council it had increased focus on delivery of the Corporate Strategy. The amendments currently proposed continue this focus but bring both types of CIL expenditure more in line with the Capital Spending Process (albeit each will be subject to slightly different spending processes) and extend the range of assets for which Neighbourhood Portion expenditure may be considered.

## **7 Implications and Comments**

- 7.1 S151 Comments - Members should be content that the recommendations allow the service to be agile and flexible whilst ensuring tight budgetary control and not exposing the Council to undue financial risk, the CIL budget still remains part of the annual Capital Programme but with operational flexibility within its cash limit. A report on CIL expenditure, project progress and performance should be submitted to Cabinet on a quarterly basis alongside the existing wider quarterly finance and performance reports.
- 7.2 Financial Implications - The CIL Spending Protocol sets out the process and the criteria to be applied to decision on allocating funds from the Community Infrastructure Levy taking into consideration the Capital Strategy.



- 7.3 Monitoring Officer Comments - As a matter of good practice, the Council's policies and procedures should be kept under review and, as in this case, update and amend were appropriate. Members should be assured that the CIL Spending Protocol ensures that decisions are made in an open and transparent manner.
- 7.4 Legal Implications - The collection and spend of CIL is governed by The Community Infrastructure Levy Regulations 2010 (as amended). The updated protocol is in line with these provisions.
- 7.5 Equality and Diversity - This decision has no direct equality impact. Due regard to the Public Sector Equality Duty will need to be given when CIL is being allocated for expenditure. This will need to be a consideration in the spending of Strategic CIL when decisions on spending go through the political process. In respect of Neighbourhood Portion CIL this is captured through the application process.
- 7.6 Human Resources - The administration of CIL is covered by existing posts within the Place Service and is currently funded through CIL at zero cost to the Council.
- 7.7 Information Governance - The process of collecting CIL involves collecting personal and confidential information. However, spending decisions are not linked to individual development schemes as is the case with other types of developer contributions and so no personal information will be used in the spending of CIL.
- 7.8 Climate and Environment - This report does not have any climate and environment implications but future CIL spends will consider the Climate Change Strategy and the Biodiversity Duty imposed by the Environment Act 2021 during scheme development.

## **8 Risks**

- 8.1 Risks to the Council as a result of this report are minimal. The protocol is designed to ensure that funds will be spent in line with the Community Infrastructure Regulations. However, these regulations in and of themselves do not articulate in detail how CIL is spent except in respect of the Neighbourhood Portion where a local authority is parished.

## 9 Consultation

- 9.1 No public consultation is proposed regarding the updated CIL Spending Protocol. This is not required under the CIL Regulations. Consultation would take place as necessary on individual infrastructure projects proportionate to the scale and type of infrastructure proposed.

## 10 Communications

- 10.1 To facilitate a wider understanding of CIL allocations and expenditure we have our publicly accessible developer contributions system and pages on our website concerning the CIL Allocation Process. Our website at annual intervals will invite infrastructure providers to put forward expressions of interest for Strategic CIL spends where appropriate.

<b>Agreed and signed off by:</b>		<b>Date:</b>
<b>Cabinet Lead:</b>	Councillor Gwen Robinson	09/01/2024
<b>Executive Head:</b>	Alex Robinson	28/12/2023
<b>Monitoring Officer:</b>	Jo McIntosh	25/01/2024
<b>Section151 Officer:</b>	Steven Pink	17/01/2024



## Community Infrastructure Levy (CIL) Spending Protocol

**Revised 2024**

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# 1. Introduction & Overview

## What is the Community Infrastructure Levy?

- 1.1. The Community Infrastructure Levy (CIL) is a charge which new development in Havant Borough has to pay. The CIL charging schedule sets out the rates of CIL that apply to Havant Borough. Further guidance on the charging regime is available at [www.havant.gov.uk/planning-policy/community-infrastructure-levy-cil](http://www.havant.gov.uk/planning-policy/community-infrastructure-levy-cil).
- 1.2. The Community Infrastructure Levy system recognises that new development places pressure on the Borough's infrastructure networks, necessitating expansion and improvement of existing assets and the provision of new infrastructure. CIL funds gathered must be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area.
- 1.3. The majority (approximately 80%) of CIL funds collected must be used for strategic projects. A further 15%<sup>1</sup> is set aside for the Neighbourhood Portion. The remaining 5% of CIL funds are used for administration of the service. Different processes and principles govern the spending of the Strategic CIL funds and the Neighbourhood Portion, as set out in sections 3 and 4 of this protocol.
- 1.4. CIL is an important tool for the Council to use to help deliver the infrastructure needed to support the Corporate Strategy, including its supporting place-making strategies, namely the Local Plan<sup>2</sup> and the Havant Regeneration Strategy<sup>3</sup>. There is, however, a 'funding gap' between what can reasonably be acquired through CIL and other developer contributions and the full requirements for the expansion of local infrastructure networks. As a result, CIL should only be considered to be one of many, rather than a single reliable source of funding for infrastructure, and many projects will be funded only in part through CIL.

## Status of this document

- 1.5. This document sets out Havant Borough Council's policy framework, including the Capital Strategy, governing the spending of CIL and how this will be used to improve and expand the Borough's infrastructure. A set of more detailed process notes accompanies the protocol in order to set out the how this works in practice for both Strategic and Neighbourhood CIL. These also guide bidding and spending bodies and Council Services through the process.
- 1.6. The protocol will be reviewed periodically and updated if necessary to take account of lessons learnt in its implementation, changes to priorities in the Borough's development strategy or amendments to national regulations or guidance.

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<sup>1</sup> The Neighbourhood Portion rise to 25% in areas which are covered by a made Neighbourhood Plan.

<sup>2</sup> [www.havant.gov.uk/localplan](http://www.havant.gov.uk/localplan)

<sup>3</sup> [www.havant.gov.uk/have-with-havant](http://www.havant.gov.uk/have-with-havant)

## 2. Guiding principles

### Funding Infrastructure to support development

- 2.1 For the purposes of CIL Infrastructure includes roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces<sup>4</sup> (NB this is not an exhaustive list). Infrastructure is defined for the purposes of this Spending Protocol as the “services necessary for development to take place and which play a critical role in supporting new development”.
- 2.2 In line with the regulations, CIL funds will be spent in Havant on *the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area or outside of the borough where to do so would support the development of the area.*<sup>5</sup> The levy can be used to fund new infrastructure, increase the capacity of existing infrastructure or to repair failing existing infrastructure, as long as the spend is necessary to support development.
- 2.3 Havant Borough Council, as a guiding principle, will use its CIL to implement its Corporate Strategy and the supporting strategies concerning the development and place making of Havant Borough, namely, the Havant Borough Local Plan and the Havant Regeneration Strategy. CIL will be used to support development through the improvement of the Borough’s existing infrastructure network and the provision of new infrastructure. All CIL funded projects must contribute to this aim.

### Best Use of Funds

- 2.4 In order to ensure that CIL funds are used to best effect, projects will only be funded if they meet the following conditions:
- a) The Project is in the Infrastructure Delivery Plan (IDP).<sup>6</sup>
  - b) The project relates to fixed infrastructure/‘immovable’ items.
  - c) The project goes beyond pure maintenance to improve an asset or provide a new asset.
  - d) The proposal is a capital project.
  - e) The project delivers clear and significant benefits to users/the community.
  - f) The project is in line with the Council’s Corporate Strategy, including any relevant supporting strategies such as the Regeneration Strategy, Local Plan and Climate Change and Environment Strategy.
  - g) The project supports a Havant Borough Council Asset or supports delivery of the priorities of the Corporate Strategy in partnership with an Infrastructure Provider.

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<sup>4</sup> S216 Planning Act 2008 <https://www.legislation.gov.uk/ukpga/2008/29/section/216>

<sup>5</sup> The Community Infrastructure Levy Regulations 2010 (as amended)  
<https://www.legislation.gov.uk/ukdsi/2010/9780111492390/contents>

see also CIL Guidance <https://www.gov.uk/guidance/community-infrastructure-levy#spending-the-levy>

<sup>6</sup> As the IDP can be timebound, projects proposed that are considered suitable for inclusion in this plan will also be considered

- h) The benefits would last long term (minimum 10 years<sup>7</sup>) without having to be replaced or upgraded.
- i) The funding sought is for project delivery, rather than solely project development or feasibility.
- j) The Council is not aware of other dedicated funding or delivery mechanisms for the project whereby the project could be delivered in full.

## **Maximising the reach of CIL**

- 2.5 The Council is committed to improving the Borough's infrastructure network. The Infrastructure Delivery Plan highlights that there is a 'funding gap' between what can reasonably be acquired through CIL and other developer contributions and the full requirements for the expansion of infrastructure networks.
- 2.6 As a result, CIL is unlikely to fund projects in full. The Council expects delivery teams and organisations to identify and bring to the table other sources of funding that will contribute to the delivery of the projects seeking CIL funding.
- 2.7 Similarly, CIL is a suitable pot of money to be used as match funding for external bids for infrastructure funding.

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<sup>7</sup> Neighbourhood Infrastructure Projects may be for a proportionate timescale relative to the monies requested

## 3. Strategic CIL

### Principles of Strategic CIL spend

- 3.1 The Strategic (or 'main') CIL Pot, approximately 80% of collected funds, will be used by Havant Borough Council to deliver infrastructure that supports the whole Borough. Projects should be of a scale which offer wider than purely local benefits for parts of the Borough.
- 3.2 Strategic funds will be prioritised to address identified infrastructure priorities including those outlined in the Local Plan, and the adopted Corporate and Regeneration Strategy Documents, and address the impacts of development.
- 3.3 There is no requirement to tie the expenditure of any particular CIL receipt to a particular location or development. Since the funds will be used for strategic infrastructure projects, these are considered to benefit the whole borough.

### Annual Strategic CIL Funding Proposal

- 3.4 Once a year (usually in the Autumn), stakeholders involved in development and delivery of infrastructure may put forward expressions of interest in respect of projects for funding through CIL and these dates will be advertised on the council's website. While it is expected that Havant Borough Council will use a sizeable proportion of the Strategic Pot to fund capital infrastructure projects, external organisations are also key deliverers of infrastructure to support development and the Corporate Strategy, and funding is also open to these organisations. The Council is particularly keen to hear from organisations with the responsibility and/or ability to deliver the projects identified in the Council's Development Strategies<sup>8</sup>.
- 3.5 Proposals will be considered against the guiding principles in Section 2 and assessed competitively against each other to form the basis of an annual Strategic CIL Funding Proposal.
- 3.6 The Strategic CIL Funding Proposal will be presented to Cabinet for consideration as part of the capital budget setting process, before being agreed by Full Council.
- 3.7 Once funding to a project is confirmed, generally funds will be retained by the council until that project is delivered, and funds transferred once proof of successful delivery is received by the CIL Team. This is to safeguard against misuse of CIL funds.

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<sup>8</sup> **The Local Plan** (adopted and emerging); **The Local Plan Evidence Base** (for example Transport Assessments; Open Space, Sport & Recreation Strategy; Coastal Strategies and Studies etc); **The Infrastructure Delivery Plan**; **The Council's Regeneration Strategy**



- 3.8 Associated process notes will set out the process in more detail and will be kept under review to ensure the process is efficient and effective. They will not alter the principles set out in this protocol.

## 4. Neighbourhood Portion

### Principles of Neighbourhood Portion CIL spend

- 4.1 The Neighbourhood Portion, 15% of collected funds (see further below), will be used by Havant Borough Council to deliver infrastructure at a neighbourhood and community scale.
- 4.2 National CIL regulations require the Neighbourhood Portion to be used to support the development of the area by funding
- a. *the provision, improvement, replacement, operation or maintenance of infrastructure; or*
  - b. *anything else that is concerned with addressing the demands that development places on an area.*<sup>9</sup>
- 4.3 The focus of the Neighbourhood Portion funds will be on improving and expanding the capacity and quality of infrastructure assets owned and managed by Havant Borough Council and Havant Borough Council led projects that support delivery of the Corporate Strategy or Local Plan (and evidence bases that support these). This will deliver substantial improvements to local infrastructure assets that area used by a wide variety of residents and groups.

### Neighbourhood Portion Distribution

- 4.4 Havant Borough is unparished, and therefore the Borough Council retains the CIL Neighbourhood Portion and allocates it to community scale projects.
- 4.5 Regulations do not set out at what geographical scale funding allocations in non-parished areas should be made. In Havant, the Council has decided to allocate these funds across the whole Borough. It means that funding can be used in the areas of most need and projects prioritised on their merits rather than geographical availability of funding.
- 4.6 One exception must be noted to the Borough-wide approach: In any area that has an adopted Neighbourhood plan, some funding will be ringfenced. This is because CIL regulations require 25% (instead of 15%) of funds in areas with adopted Neighbourhood Plans to benefit that area.

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<sup>9</sup> Regulation 59C of The Community Infrastructure Levy (Amendment) Regulations 2013 <https://www.legislation.gov.uk/uksi/2013/982/regulation/8/made>; see also CIL guidance at <https://www.gov.uk/guidance/community-infrastructure-levy#spending-the-levy>

- 4.7 In any area with an adopted Neighbourhood Plan<sup>10</sup> 15% of the funds raised will be considered as part of the area wide allocation, and an additional 10% will be ringfenced currently specifically for Emsworth. The Council will work with the Neighbourhood Forum, or appropriate other local groups if the Neighbourhood Forum no longer exists, to consider how to spend that 10% in the Neighbourhood Area.

### Annual Funding Awards

- 4.8 The Neighbourhood Portion will be made available on an annual basis to project delivery teams in line with the table below:

<b>Infrastructure Asset Theme</b>	<b>Proportion of funds</b>
Parks, play, open spaces, sport and leisure	50%
Public realm and public facilities in urban areas	25%
Community Centres	12.5%
Walking and cycling paths and public transport facilities	12.5%

- 4.9 This distribution will be kept under review (see section 6).
- 4.10 The amount of Neighbourhood Portion available for the forthcoming financial year will be confirmed as part of the budget setting process. The sum will be based on the CIL Neighbourhood Portion receipts confirmed at the end of the previous financial year. Allocated spends will be included in the Council's quarterly reporting.
- 4.11 Despite funds being 'made available' through the budget process, delivery teams will have to make funding requests for specific projects to the CIL Team. The decision on funding will be made by the Executive Head of Place, in consultation with the relevant Cabinet Lead. Eligibility of the project for CIL funding will then be confirmed. As an additional safeguard for the appropriate use of funds, CIL monies will not be released until proof of successful delivery has been received by the CIL Team.
- 4.12 Associated process notes will set out the process in more detail and will be kept under review to ensure the process is efficient and effective. They will not alter the principles set out in this protocol.

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<sup>10</sup> At the time of writing, this applies only to Emsworth

## 5. Interim Spending Decisions

### Provisions for Strategic CIL Interim Spends

- 5.1 In exceptional circumstances, it may be expedient to propose a spend from the Strategic CIL fund outside of the annual funding cycle. Interim spends must remain exceptional and must not be a way to avoid competing against other projects through the annual funding proposal process. Therefore, any such spend would only be acceptable where the proposed spend meets the criteria for CIL spend as set out in the regulations and this protocol, and where:
- a) It would be financially expedient (for example, where CIL could be used as match funding to bid for grant funding from another body such as central government) and the decision cannot wait until the next annual allocation of funds;
- or
- b) Funding is needed to cover a minor overspend on an ongoing CIL funded project.
- 5.2 Where it becomes expedient for a decision to be made outside of the annual preparation of the annual CIL Strategic Funding Proposal, and the above criteria are met, interim spends may be considered as set out in the Capital Strategy (more information in the process note):
- (a) 'Capital spending is strictly defined and is principally incurred in buying, constructing or improving physical assets such as buildings, land and vehicles, plant and machinery. It also includes grants and advances to be used for capital purposes. The Council's policy on capitalisation is included in the Accounting Policies of the Statement of Accounts. The policy states that only assets with a value over £15,000 will be capitalised and therefore expenditure under these limits is deemed to be a revenue cost'.
  - (b) 'Where it appears that any scheme in the capital programme will be overspent by 10% or £50,000, whichever is the greater, a report shall be made to the Cabinet. The Chief Finance Officer will advise the Cabinet whether or how requests for additional capital finance can be achieved within the overall capital programme. The Chief Finance Officer is authorised to approve virements within the capital programme as outlined in Standing Order 63.'
- 5.3 In some circumstances, only the principle of future CIL spend will need to be established, for example to support bids for external funding or to aid project planning and feasibility work. The Strategic CIL funding would still need to be applied for formally through the next bidding round

## 6. Monitoring and Reporting

- 6.1 The Council will monitor CIL receipts and spends and the sum remaining in the fund each year. The CIL Regulations require the Council to produce and publish an Infrastructure Funding Statement annually with this information.

- 6.2 Following the allocation of CIL funds to a project the Council will expect delivery of that project to the agreed timescales. This applies whether funding comes from the Strategic CIL or the Neighbourhood Portion. Project leads are expected to report their progress on delivery to the CIL Team.
- 6.3 Where projects are not delivered to the agreed timescale or are unlikely to be delivered due to a change in circumstances the funds will be 'returned' for reallocation to other projects.
- 6.4 In addition to ongoing monitoring by officers, the Council's spending of CIL will be monitored and reviewed annually by the Planning Policy Committee. Their role will also consider whether the funding distribution for the Neighbourhood Portion set out in this protocol remains appropriate.



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## Community Infrastructure Levy (CIL) Spending Protocol

Revised 2024

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## 1. Introduction & Overview

### What is the Community Infrastructure Levy?

- 1.1. The Community Infrastructure Levy (CIL) is a charge which new development in Havant Borough has to pay. The CIL charging schedule sets out the rates of CIL that apply to Havant Borough. Further guidance on the charging regime is available at [www.havant.gov.uk/planning-policy/community-infrastructure-levy-cil](http://www.havant.gov.uk/planning-policy/community-infrastructure-levy-cil).
- 1.2. The Community Infrastructure Levy system recognises that new development places pressure on the Borough's infrastructure networks, necessitating expansion and improvement of existing assets and the provision of new infrastructure. CIL funds gathered must be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area.
- 1.3. The majority (approximately 80%) of CIL funds collected must be used for strategic projects. A further 15%<sup>1</sup> is set aside for the Neighbourhood Portion. The remaining 5% of CIL funds are used for administration of the service. Different processes and principles govern the spending of the Strategic CIL funds and the Neighbourhood Portion, as set out in sections 3 and 4 of this protocol.
- 1.4. CIL is an important tool for the Council to use to help deliver the infrastructure needed to support the Corporate Strategy, including its supporting place-making strategies, namely the Local Plan<sup>2</sup> and the Havant Regeneration Strategy<sup>3</sup>. There is, however, a 'funding gap' between what can reasonably be acquired through CIL and other developer contributions and the full requirements for the expansion of local infrastructure networks. As a result, CIL should only be considered to be one of many, rather than a single reliable source of funding for infrastructure, and many projects will be funded only in part through CIL.

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### Status of this document

- 1.5. This document sets out Havant Borough Council's policy framework, including the Capital Strategy, governing the spending of CIL and how this will be used to improve and expand the Borough's infrastructure. A set of more detailed process notes accompanies the protocol in order to set out the how this works in practice for both Strategic and Neighbourhood CIL. These also guide bidding and spending bodies and Council Services through the process.
- 1.6. The protocol will be reviewed periodically and updated if necessary to take account of lessons learnt in its implementation, changes to priorities in the Borough's development strategy or amendments to national regulations or guidance.

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<sup>1</sup> The Neighbourhood Portion rise to 25% in areas which are covered by a made Neighbourhood Plan.

<sup>2</sup> [www.havant.gov.uk/localplan](http://www.havant.gov.uk/localplan)

<sup>3</sup> [www.havant.gov.uk/have-with-havant](http://www.havant.gov.uk/have-with-havant)

## 2. Guiding principles

### Funding Infrastructure to support development

- 2.1 For the purposes of CIL Infrastructure includes roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces<sup>4</sup> (NB this is not an exhaustive list). Infrastructure is defined for the purposes of this Spending Protocol as the “services necessary for development to take place and which play a critical role in supporting new development”.
- 2.2 In line with the regulations, CIL funds will be spent in Havant on *the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area or outside of the borough where to do so would support the development of the area.*<sup>5</sup> The levy can be used to fund new infrastructure, increase the capacity of existing infrastructure or to repair failing existing infrastructure, as long as the spend is necessary to support development.
- 2.3 Havant Borough Council, as a guiding principle, will use its CIL to implement its Corporate Strategy and the supporting strategies concerning the development and place making of Havant Borough, namely, the Havant Borough Local Plan and the Havant Regeneration Strategy. CIL will be used to support development through the improvement of the Borough’s existing infrastructure network and the provision of new infrastructure. All CIL funded projects must contribute to this aim.

### Best Use of Funds

- 2.4 In order to ensure that CIL funds are used to best effect, projects will only be funded if they meet the following conditions:
- a) The Project is in the Infrastructure Delivery Plan (IDP).<sup>6</sup>
  - b) The project relates to fixed infrastructure/~~‘immovable’~~ items.
  - c) The project goes beyond pure maintenance to improve an asset or provide a new asset.
  - d) The proposal is a capital project.
  - e) The project delivers clear and significant benefits to users/~~the community.~~
  - f) The project is in line with the Council’s Corporate Strategy, including any relevant supporting strategies such as the Regeneration Strategy, Local Plan and Climate Change and Environment Strategy.
  - g) The project supports a Havant Borough Council Asset or supports delivery of the priorities of the Corporate Strategy in partnership with an Infrastructure Provider.

<sup>4</sup> S216 Planning Act 2008 <https://www.legislation.gov.uk/ukpga/2008/29/section/216>

<sup>5</sup> [The Community Infrastructure Levy Regulations 2010 \(as amended\)](https://www.legislation.gov.uk/ukdsi/2010/9780111492390/contents)  
<https://www.legislation.gov.uk/ukdsi/2010/9780111492390/contents>

see also CIL Guidance <https://www.gov.uk/guidance/community-infrastructure-levy#spending-the-levy>

<sup>6</sup> As the IDP can be timebound, projects proposed that are considered suitable for inclusion in this plan will also be considered

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<https://www.legislation.gov.uk/ukdsi/2010/948/regulation/59/made> and  
<https://www.legislation.gov.uk/ukdsi/2012/2975/regulation/7/made>: ¶

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- h) The benefits would last long term (minimum 10 years<sup>7</sup>) without having to be replaced or upgraded.
- i) The funding sought is for project delivery, rather than solely project development or feasibility.
- j) The Council is not aware of other dedicated funding or delivery mechanisms for the project whereby the project could be delivered in full.

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### Maximising the reach of CIL

- 2.5 The Council is committed to improving the Borough's infrastructure network. The Infrastructure Delivery Plan highlights that there is a 'funding gap' between what can reasonably be acquired through CIL and other developer contributions and the full requirements for the expansion of infrastructure networks.
- 2.6 As a result, CIL is unlikely to fund projects in full. The Council expects delivery teams and organisations to identify and bring to the table other sources of funding that will contribute to the delivery of the projects seeking CIL funding.
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<sup>7</sup> Neighbourhood Infrastructure Projects may be for a proportionate timescale relative to the monies requested

### 3. Strategic CIL

#### Principles of Strategic CIL spend

- 3.1 The Strategic (or 'main') CIL Pot, approximately 80% of collected funds, will be used by Havant Borough Council to deliver infrastructure that supports the whole Borough. Projects should be of a scale which offer wider than purely local benefits for parts of the Borough.
- 3.2 Strategic funds will be prioritised to address identified infrastructure priorities including those outlined in the Local Plan, and the adopted Corporate and Regeneration Strategy Documents, and address the impacts of development.
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#### Annual Strategic CIL Funding Proposal

- 3.4 Once a year (usually in the Autumn), stakeholders involved in development and delivery of infrastructure may put forward expressions of interest in respect of projects for funding through CIL and these dates will be advertised on the council's website. While it is expected that Havant Borough Council will use a sizeable proportion of the Strategic Pot to fund capital infrastructure projects, external organisations are also key deliverers of infrastructure to support development and the Corporate Strategy, and funding is also open to these organisations. The Council is particularly keen to hear from organisations with the responsibility and/or ability to deliver the projects identified in the Council's Development Strategies <sup>8</sup>.
- 3.5 Proposals will be considered against the guiding principles in Section 2 and assessed competitively against each other to form the basis of an annual Strategic CIL Funding Proposal.
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- 3.7 Once funding to a project is confirmed, generally funds will be retained by the council until that project is delivered, and funds transferred once proof of successful delivery is received by the CIL Team. This is to safeguard against misuse of CIL funds.

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<sup>8</sup> **The Local Plan** (adopted and emerging); **The Local Plan Evidence Base** (for example Transport Assessments; Open Space, Sport & Recreation Strategy; Coastal Strategies and Studies etc); **The Infrastructure Delivery Plan**; **The Council's Regeneration Strategy**

3.8 Associated process notes will set out the process in more detail and will be kept under review to ensure the process is efficient and effective. They will not alter the principles set out in this protocol.

## 4. Neighbourhood Portion

### Principles of Neighbourhood Portion CIL spend

- 4.1 The Neighbourhood Portion, 15% of collected funds (see further below), will be used by Havant Borough Council to deliver infrastructure at a neighbourhood and community scale.
- 4.2 National CIL regulations require the Neighbourhood Portion to be used to support the development of the area by funding
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- 4.3 The focus of the Neighbourhood Portion funds will be on improving and expanding the capacity and quality of infrastructure assets owned and managed by Havant Borough Council and Havant Borough Council led projects that support delivery of the Corporate Strategy or Local Plan (and evidence bases that support these).<sup>10</sup> This will deliver substantial improvements to local infrastructure assets that area used by a wide variety of residents and groups.

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### Neighbourhood Portion Distribution

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- 4.5 Regulations do not set out at what geographical scale funding allocations in non-parished areas should be made. In Havant, the Council has decided to allocate these funds across the whole Borough. It means that funding can be used in the areas of most need and projects prioritised on their merits rather than geographical availability of funding.
- 4.6 One exception must be noted to the Borough-wide approach: In any area that has an adopted Neighbourhood plan, some funding will be ringfenced. This is because CIL regulations require 25% (instead of 15%) of funds in areas with adopted Neighbourhood Plans to benefit that area.

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<sup>9</sup> Regulation 59C of The Community Infrastructure Levy (Amendment) Regulations 2013 <https://www.legislation.gov.uk/uksi/2013/982/regulation/8/made>; see also CIL guidance at <https://www.gov.uk/guidance/community-infrastructure-levy#spending-the-levy>

4.7 In any area with an adopted Neighbourhood Plan<sup>11</sup> 15% of the funds raised will be considered as part of the area wide allocation, and an additional 10% will be ringfenced currently specifically for Emsworth. The Council will work with the Neighbourhood Forum, or appropriate other local groups if the Neighbourhood Forum no longer exists, to consider how to spend that 10% in the Neighbourhood Area.

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### Annual Funding Awards

4.8 The Neighbourhood Portion will be made available on an annual basis to project delivery teams in line with the table below:

Infrastructure Asset Theme	Proportion of funds
Parks, play, open spaces, sport and leisure	50%
Public realm and public facilities in urban areas	25%
Community Centres	12.5%
Walking and cycling paths and public transport facilities	12.5%

4.9 This distribution will be kept under review (see section 6).

4.10 The amount of Neighbourhood Portion available for the forthcoming financial year will be confirmed as part of the budget setting process. The sum will be based on the CIL Neighbourhood Portion receipts confirmed at the end of the previous financial year. Allocated spends will be included in the Council's quarterly reporting.

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4.11 Despite funds being 'made available' through the budget process, delivery teams will have to make funding requests for specific projects to the CIL Team. The decision on funding will be made by the Executive Head of Place, in consultation with the relevant Cabinet Lead. Eligibility of the project for CIL funding will then be confirmed. As an additional safeguard for the appropriate use of funds, CIL monies will not be released until proof of successful delivery has been received by the CIL Team.

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4.12 Associated process notes will set out the process in more detail and will be kept under review to ensure the process is efficient and effective. They will not alter the principles set out in this protocol.

<sup>11</sup> At the time of writing, this applies only to Emsworth

## 5. Interim Spending Decisions

### Provisions for Strategic CIL Interim Spends

- 5.1 In exceptional circumstances, it may be expedient to propose a spend from the Strategic CIL fund outside of the annual funding cycle. Interim spends must remain exceptional and must not be a way to avoid competing against other projects through the annual funding proposal process. Therefore, any such spend would only be acceptable where the proposed spend meets the criteria for CIL spend as set out in the regulations and this protocol, and where:
- a) It would be financially expedient (for example, where CIL could be used as match funding to bid for grant funding from another body such as central government) and the decision cannot wait until the next annual allocation of funds;
- or
- b) Funding is needed to cover a minor overspend on an ongoing CIL funded project.

- 5.2 Where it becomes expedient for a decision to be made outside of the annual preparation of the annual CIL Strategic Funding Proposal, and the above criteria are met, interim spends may be considered as set out in the Capital Strategy (more information in the process note):

(a) 'Capital spending is strictly defined and is principally incurred in buying, constructing or improving physical assets such as buildings, land and vehicles, plant and machinery. It also includes grants and advances to be used for capital purposes. The Council's policy on capitalisation is included in the Accounting Policies of the Statement of Accounts. The policy states that only assets with a value over £15,000 will be capitalised and therefore expenditure under these limits is deemed to be a revenue cost'.

(b) 'Where it appears that any scheme in the capital programme will be overspent by 10% or £50,000, whichever is the greater, a report shall be made to the Cabinet. The Chief Finance Officer will advise the Cabinet whether or how requests for additional capital finance can be achieved within the overall capital programme. The Chief Finance Officer is authorised to approve virements within the capital programme as outlined in Standing Order 63.'

- 5.3 In some circumstances, only the principle of future CIL spend will need to be established, for example to support bids for external funding or to aid project planning and feasibility work. The Strategic CIL funding would still need to be applied for formally through the next bidding round

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In the case of the neighbourhood portion, interim spends are not envisaged, as the full amount of available funding will have been allocated through the budget each year.¶

¶ However, similar to the Strategic CIL, the CIL Team can at any point in the year assess proposals and provide advice on whether the scheme would be suitable for neighbourhood CIL funding. Officers will also be able to give broad estimates as to the possible CIL allocation for each budget in the coming year. Relevant delivery teams can then use this information on the availability of CIL, for example to support bids for external funding.

## 6. Monitoring and Reporting

- 6.1 The Council will monitor CIL receipts and spends and the sum remaining in the fund each year. The CIL Regulations require the Council to produce and publish an Infrastructure Funding Statement annually with this information.
- 6.2 Following the allocation of CIL funds to a project the Council will expect delivery of that project to the agreed timescales. This applies whether funding comes from the Strategic CIL or the Neighbourhood Portion. Project leads are expected to report their progress on delivery to the CIL Team.
- 6.3 Where projects are not delivered to the agreed timescale or are unlikely to be delivered due to a change in circumstances the funds will be 'returned' for reallocation to other projects.
- 6.4 In addition to ongoing monitoring by officers, the Council's spending of CIL will be monitored and reviewed annually by the Planning Policy Committee. Their role will also consider whether the funding distribution for the Neighbourhood Portion set out in this protocol remains appropriate.

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