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## HAVANT BOROUGH COUNCIL

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**CABINET**

**7 February 2018**

### **COMMUNITY INFRASTRUCTURE LEVY: SPENDING**

Report on behalf of Head of Planning

**FOR RECOMMENDATION  
TO COUNCIL**

**Cabinet Leads:  
Planning and Place-Making  
Economy and Infrastructure Projects**

**Key Decision: No**

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

1.1 This report provides detail on the 33 bids received following the CIL Bidding Process (20 for the Main CIL Pot and 13 for the Neighbourhood Portion). It provides an analysis of the bids and makes recommendations on the spending of CIL funds.

#### **2.0 Recommendation that:**

2.1 Cabinet recommends to Council that:

- i) **The Council invest the available CIL Pot of £1,918,284 in the following capital infrastructure projects:**

<b>Title (Bid ref)</b>	<b>Amount</b>	<b>Cumulative amount</b>
Langstone FCERM Scheme CIL Pot Building Proposal: 2017-2021 (1)	£0*	£0
Havant Shared Pedestrian and Cycle Bridge (8)	(£125,000)**	(£125,000)**
Warblington Footbridge (9)	£150,000	£275,000
Bushy Lease Strategic Sustainable Access Route (10)	£373,000	£648,000
Hambledon Road/Milton Road Safety Improvements (20)	£117,000***	£765,000
Rusty Cutter – Teardrop Link Road Capacity Enhancement (12)	£150,000	£915,000

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

See additional information

\* Paragraph 4.14 (i)

\*\* Paragraph 4.14(ii) regarding separate consideration of Footbridge options

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\*\*\* Paragraph 4.14 (iii)

- ii) That the balance of the CIL Pot be retained and expenditure further considered on Langstone FCERM Scheme in the 2018 CIL Funding Decision once the Draft Havant Borough Local Plan 2036 has been published and the outcome of the consultation is known
- iii) The Council invest the available Neighbourhood Portion of £212,374 across the borough as set out below:

Title (Bid ref)	Amount	Cumulative amount
Hayling East–West Cycle Route: Upgrade Footpath 521 to Shared Use (J)	£16,000	£16,000
Solent Way Upgrade Project (C)	£46,000	£62,000
Waterlooville Pavilion Feasibility Study (G)	£4,000	£66,000
Drainage Hobby Close Field (L)	£49,500	£115,500
The Spring Arts Centre Minor Works (Air Conditioning) (M)	£15,000	£130,500
Pallant Centre Universal Access Project (Lift) (B)	£21,000	£151,500
Replace Outdated and Uneconomic Lighting in Mountford Wing and Assembly Room of Emsworth Community Centre (F)	£15,000	£166,500
Waterlooville Community Centre Improvements/Expansion/'Changing Place' Facility (A)	£10,520	£177,020

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

### 3.0 Summary

- 3.1 To review CIL spending position in view of funds currently available.
- 3.2 Recommend that this report be passed on to Full Council, for a decision on the bids presented in this report.

### 4.0 Spending the Community Infrastructure Levy

#### Background

- 4.1 The CIL Funding Decision Protocol was approved by Full Council on 23 July 2014. The Protocol sets out a process for assessing projects that are eligible for CIL funding; to decide the best way of investing this money for the greatest benefit of the borough. It enables decisions on spending to be clear, transparent and fair and to understand which schemes are critical, essential and desirable. This Protocol was updated 18 February 2015 and 22 February 2017 and is reproduced at Appendix A for reference purposes.
- 4.2 Appendix B gives detail and background to previous CIL expenditure.

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### Current level of CIL Receipts and Expenditure

- 4.3 As of 31 March 2017 money actually collected for CIL receipts totalled £2,568,701.02 divided as follows:

Category	Amount
Funds collected - CIL Administration (5%)	136,339.91
Funds collected - Neighbourhood Portion	345,012.01
Funds allocated to CIL projects identified in the CIL 123 List (also referred to as the CIL Pot)	2,245,446.26
<b>TOTAL</b>	<b>2,726,798.18*</b>

**Table B: CIL Income 1 August 2013 to 31 March 2017**

(\*including community building accepted in lieu of CIL to the value of £263,628.00 which has been added to the council's asset register and is not a capital sum)

- 4.4 Deducting sums spent to 31 March 2017 this leaves the sums available for CIL spending identified in Table C below. Further detail on approved and actual spends to date are outlined in Appendix B:

Category	Item	Amount
<b>CIL 123 List Sums (also referred to as the CIL Pot)</b>	Amount received	£2,245,446.26
	Plus Interest <sup>1</sup>	£11,107.34
	Less CIL funds already spent and/or allocated	£338,269.59
	<b>TOTAL</b>	<b>£1,918,284.01*</b>
<b>Neighbourhood CIL</b>	Amount received	£345,012.01
	Less CIL funds already spent	£0.00
	Less CIL funds already allocated	£132,638.00
	<b>TOTAL</b>	<b>£212,374.01</b>

**Table C: CIL Funds to take spending decision on 2017**

(\*including community building accepted in lieu of CIL to the value of £263,628.00 which has been added to the council's asset register and is not a capital sum)

- 4.5 Funding decisions now need to be taken on a fund of £1,918,284 for the CIL Pot and of £212,374 for Neighbourhood CIL.

### CIL Bidding Process July 2017

- 4.6 The Infrastructure Delivery Plan<sup>2</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 were

<sup>1</sup> This is interest figure at 31/03/2016, interest figure to 31/03/2017 awaiting approval

<sup>2</sup>

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

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invited to submit bids for the funding of infrastructure from the CIL. A total of 33 bids were received totalling over £6m.

- 4.7 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 £4K to £1.3M.
- 4.8 One of these bids, Havant Station Footbridge follows on from feasibility work already funded by CIL.
- 4.9 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.
- 4.10 A summary of the bids submitted is available at Appendix D (Reg 123 List/CIL Pot) and Appendix E (Neighbourhood Portion).

### Comparing the Bids

- 4.11 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).
- 4.12 The bids have been assessed against the infrastructure prioritisation criteria set out in the protocol. This is available at Appendices F (CIL Pot) and G (Neighbourhood Portion).

### CIL Pot

- 4.13 Following prioritisation of these bids and feedback received from the Councillors CIL Workshops held on 15 September 2017 and 23 January 2018 and the informal councillor consultation, recommended spends are outlined in paragraphs 4.14 (ii) and Table E. The maximum sums that could be spent are incorporated in this report.
- 4.14 Two of the bids have been assessed as 'critical' (without which development cannot proceed), namely:

**(i) Langstone Flood and Coastal Erosion Management CIL Pot Building Proposal (Bid 1).** Whilst funds are not required at present a commitment is requested for CIL funding in future years. We will include this request in the spending decision, but no firm decision can be made until the next round of CIL bidding when there is more certainty regarding the delivery of infrastructure and housing on Hayling Island. The Draft Local Plan is currently the subject of consultation, with submission currently timetabled for winter 2018/19. As there is a considerable potential commitment of future funds required it is proposed that current CIL spending is mindful of this consideration.

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**(ii) Havant Shared Pedestrian and Cycle Bridge (Bid 8)** Additional information and commentary on this bid is available in Appendix D.

This bid follows on from previous CIL spends, the latest being from the 2016 spending decision to allocate £150k to continue to work with HCC on the bridge design. None of that has been spent and will remain in the CIL Pot. Of the £150k, £40k was the amount to obtain 'Approval in Principle' from Network Rail and had to be achieved by May 2018.

The next stage is design and whilst this could be provided by HCC, an alternative is the running of a competition to design a replacement bridge through the Royal Institute of British Architects (RIBA).

RIBA have suggested that the costs running a competition could be in the region of £100K which will include a suitable sum for prize money (to be arranged with RIBA). We are setting aside £125K to include a £25K contingency.

The competition must comply with public procurement legislation and the 'winning' design would then have to start again through Network Rail and HCC approval processes. The benefits of running a competition include the potential to increase community and stakeholder engagement and the wider conversation around the aspirations for quality design in the town centre and the shift in development values associated with Havant.

There are proposals emerging alongside the draft Local Plan for development aspirations on either side of the railway and the bridge is critical to linking these. Therefore, the use of CIL in exploring options for the bridge are both complex and fundamental to the future of the town centre. A separate report is recommended for the Council to consider these wider implications.

**(iii) Hambledon Road / Milton Road Safety Improvements (Bid 20)** Additional information on this bid available in Appendix D

As developments come to completion in this area new desire lines for pedestrian have emerged that need to be considered. There are already two Toucan crossings in the vicinity, however, they are a little distant from the new desire line to McDonalds. An additional Toucan crossing on the new desire line could be one option. However, there are wider consequences on the peak time congestion in the area that should be given a holistic review at this point in time to plan for the most effective safety and network solution.

The Council will work in partnership with Hampshire County Highway Authority and the businesses in the area to come together and plan a solution to the current and potential safety and congestion issues.

4.15 Eight bids were considered to be 'Essential' but due to the limitation of available CIL funding these have been prioritised in Appendix F. These include:

<b>Bid</b>	<b>Amount</b>
Havant Sports Village (2)	£650K
Eastoke Corner Public Realm Enhancements (4)	£560K
Eastoke Corner Car Park (7)	£115K

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Warblington Footbridge (9)	£150K
Bushy Lease Strategic Sustainable Access Route (10)	£373K
Rusty Cutter – Teardrop Link Road Capacity Enhancement (12)	£150K
Expansion of Trosnant Schools (14)	£1.3M
Hambledon Road/Milton Road Safety Improvements (20)	£117K

**Table D: CIL Pot Bids Prioritised as being ‘Essential’**

- 4.16 Additional information and commentary on each of the bids is available in Appendix D. Table E further ranks the essential bids; these are the bids currently being recommended to receive CIL funding:

Rank	Title (Bid ref)	Amount to be granted – up to:
1	Warblington Footbridge (9)	£150,000
2	Bushy Lease Strategic Sustainable Access Route (10)	£373,000
3	Hambledon Road/Milton Road Safety Improvements (20)	£117,000
4	Rusty Cutter – Teardrop Link Road Capacity Enhancement (12)	£150,000

**Table E: ‘Essential’ CIL Pot Bids Currently Recommended for Spending**

- 4.17 There was strong support to focus on the Warblington Footbridge to make sure that this is delivered. Similarly, the match funding from the Environment Agency for the Bushy Lease Path means that represents an excellent investment of the CIL funds. The Rusty Cutter Scheme has the potential to deliver significant improvements to the peak congestion issues at the roundabout and again provides excellent value for the CIL investment. The ‘Hambledon Road Toucan’ is more challenging as it is a reaction to a new pedestrian ‘desire line’ that has emerged following the development of the McDonalds. There are potential pedestrian safety issues and Hampshire County Council as the Highway Authority is proposing a significant contribution there is a shortfall of £117k. The potential for further contributions from McDonalds/Lidl is being explored.
- 4.18 All of the other ‘essential’ bids have merits but also have deliverability issues. It would not be prudent to make decisions on further spending at this time bearing in mind the decision to ‘pot build’. Further comment on these ‘unsuccessful’ bids’ is given in Appendix D. A further 10 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.

### Neighbourhood Portion

- 4.19 13 Bids totalling £587K were received in respect of the Neighbourhood Portion. All were considered to be ‘desirable’. Of the bids received 8 were considered strongest, of these 6 have match funding or other contribution in place and received strong support through the Councillor engagement process. Additional information and commentary on each of the bids is available in Appendix E. The recommended bids are spread over each of the five areas of the borough (Emsworth, Havant/Bedhampton, Hayling Island, Leigh Park and Waterlooville). The two less strong bids at Emsworth Community Centre and Waterlooville Community Centre have now provided more information and given further justification for the CIL spend.

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Rank	Project	Amount of Bid	Amount to be granted - up to:
1	Hayling East–West Cycle Route: Upgrade Footpath 521 to Shared Use (J)	£16,000	<b>£16,000</b>
2	Solent Way Upgrade Project (C)	£46,000	<b>£46,000</b>
3	Waterlooville Pavilion Feasibility Study (G)	£4,000	<b>£4,000</b>
4	Drainage Hobby Close Field (L)	£89,100	<b>£49,500*</b>
5	The Spring Arts Centre Minor Works (Air Conditioning) (M)	£15,000	<b>£15,000</b>
6	Pallant Centre Universal Access Project (Lift) (B)	£21,000	<b>£21,000</b>
7	Replace Outdated and Uneconomic Lighting in Mountford Wing and Assembly Room of Emsworth Community Centre (F)	£15,000	<b>£15,000</b>
8	Waterlooville Community Centre Improvements/Expansion/'Changing Place' Facility (A)	£200,000	<b>£10,520*</b>

**Table F: Neighbourhood Portion Bids to take spending decision on 2017**

(Note: \*Figures in italics are less than original bid amount)

## Conclusions and Recommendations

### Funding Decision Protocol

4.20 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 is 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. There are no amendments required to the current protocol at present.

### Regulation 123 List

4.21 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.

4.22 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. There is no need to

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review the Regulation 123 List during this round of CIL Spending Decisions as the current Regulation 123 List is considered fit for purpose.

### 5.0 Implications

- 5.1 **Resources:** The collection of CIL is bringing significant funds to the council. The CIL Protocol ranks the bids received and identifies the infrastructure which will bring most benefit to the borough and its residents. It identifies bid schemes that are deliverable which will bring 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 the priority themes/ambitions set out in the Corporate Strategy in respect of economic growth, public service excellence, financial sustainability, environmental sustainability and creativity and innovation.
- 5.4 **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 (including councillors) and the information was also incorporated in a press release which was distributed through the usual channels including social media.
- 5.6 **For the Community:** The spending of the CIL on infrastructure within the borough will be of benefit to the local community.
- 5.7 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 30 June and 11 August 2017.
- 6.2 A Councillor Workshop titled: A Community Infrastructure Levy Spending Bids Analysis - Briefing Session took place on 17 October 2017 with a further CIL Workshop give additional detail on 23 January 2018. Councillors were also given the opportunity to provide written feedback on the bids going forward (the consultation closed 24 November 2018). The responses have been summarised in Appendix H.

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### **Appendices:**

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

Appendix B – History of CIL Expenditure

Appendix C – List of Bids Received

Appendix D – Summary of Bids - Regulation 123 List/CIL Pot

Appendix E – Summary of Bids - Neighbourhood Portion

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

Appendix G – Assessment of Bids (Neighbourhood Portion)

Appendix H – Summary of Responses to Councillor Consultation

### **Background Papers:**

Community Infrastructure Levy Regulations 2010 as amended

Community Infrastructure Levy (Amendment) Regulations 2013

Community Infrastructure Levy (Amendment) Regulations 2014

Department for Communities and Local Government – Planning Practice Guidance

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

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

Draft Havant Borough Local Plan 2036

### **Agreed and signed off by:**

Department Head: Andrew Biltcliffe 25/01/2018

Cabinet Lead Planning and Place-Making: Councillor David Guest 31/01/2018

Cabinet Lead Economy and Infrastructure Projects: Councillor Tim Pike 26/01/2018

Legal Services: Sara Bryan 26/01/2018

Accounts: Lydia Morrison 25/01/2018

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