

Appendix A1: Community Infrastructure Levy (CIL) Funding Decision Protocol (Revised February 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

Month	Action
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.

Month	Action
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 infrastructure¹ 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

¹ "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

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	
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

	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.

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 not build with a view to future expenditure on larger infrastructure projects.

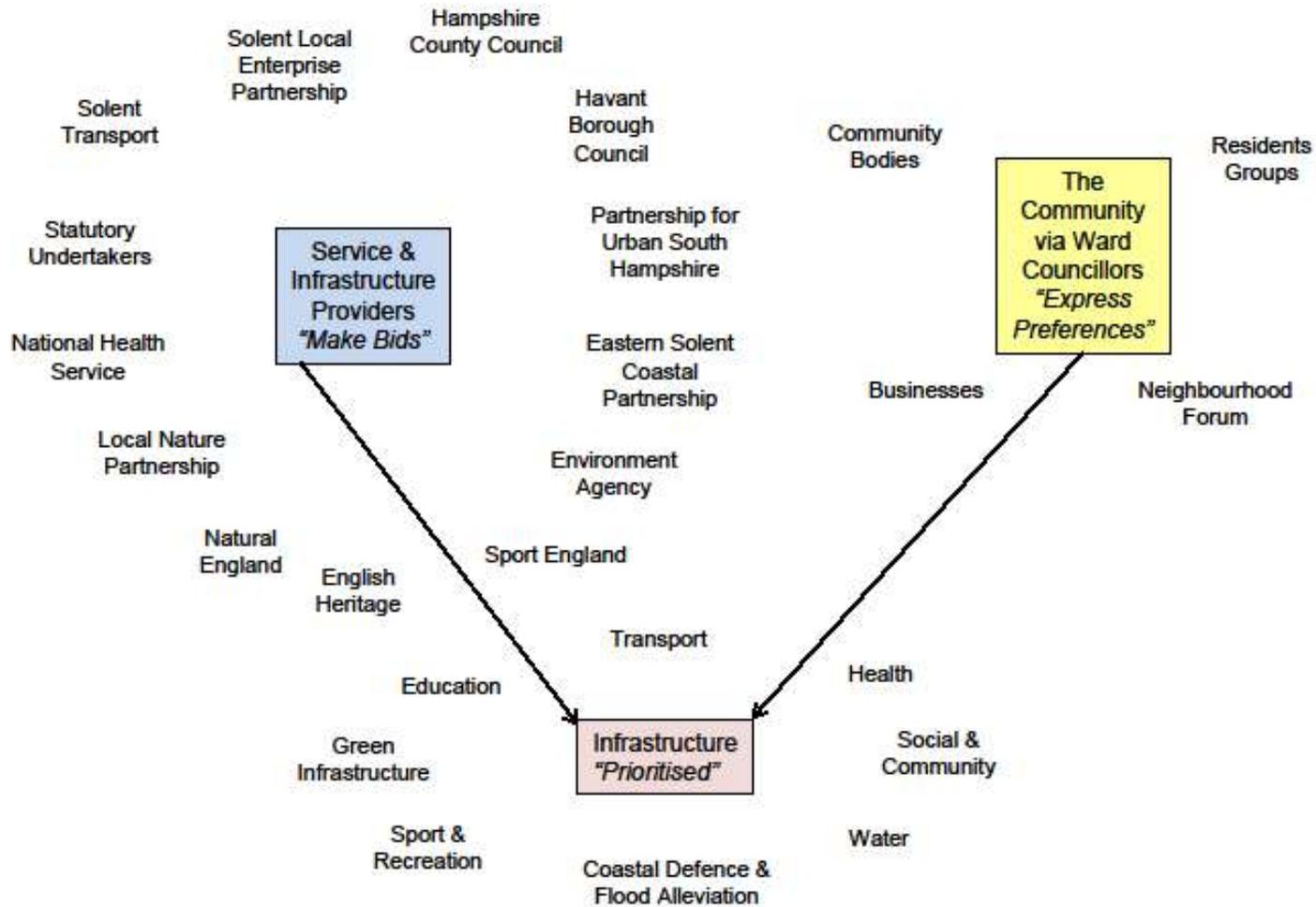
Payment of Funds

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)

What are the costs of the project?

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What other funding sources have been identified/explored?

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

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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?

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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;

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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

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Please specify responsibility for on-going maintenance costs:

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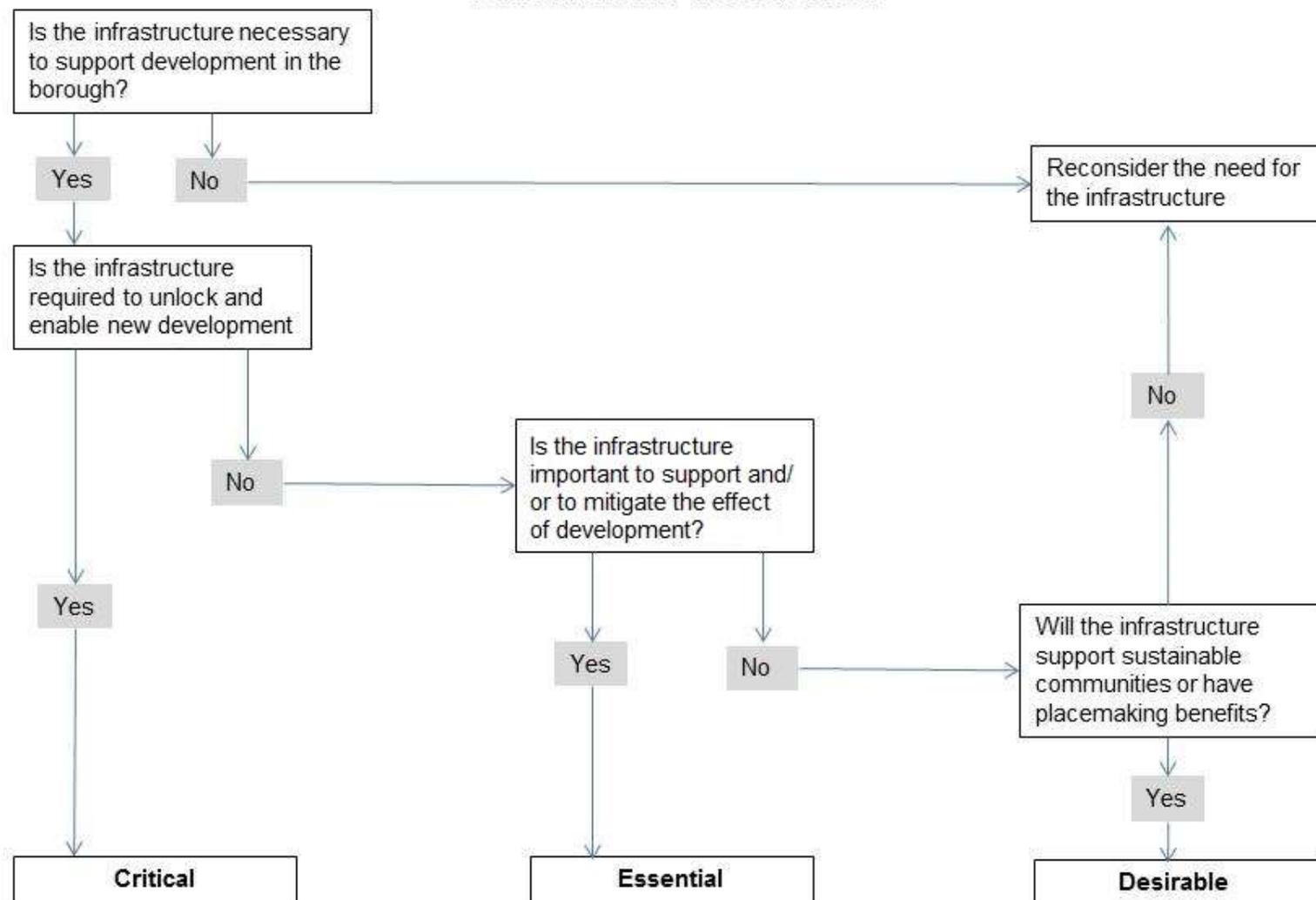
Please return form by Friday 5th August 2016

To: cil@havant.gov.uk	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 ¹	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																			

¹

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