

Community Infrastructure Levy (CIL) Funding Decision Protocol

(Revised 27 February 2019)

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 to February 2019.

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 including those outlined in the Local Plan, adopted Corporate and Regeneration Strategy Documents 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. Havant Borough CIL is perceived as an enabler. Bids which have the potential to deliver infrastructure through match funding of the council's contribution and will therefore deliver infrastructure of greater value than the CIL spent (50%) will be regarded more

favourably than bids that are submitted without match funding opportunities being fully explored. Where funding has already been received towards a project this must be detailed on the application form.

- Bids for the Neighbourhood Portion will be expected to have 50% match funding in place, although a reduction in the sum of match funding required may be considered in exceptional circumstances.

Summary of Process and Timetable

- The process begins with the gathering of information:
 - If timely, to update the Infrastructure Delivery Plan in accordance with the requirements of the Local Plan.
 - To collate data to inform projections of the likely amount of CIL available for allocation to infrastructure projects.
- Stakeholders (outlined in Appendix 1) are invited to submit individual draft proposals, using the forms 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.
- 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.
- Cabinet and Council will also be asked to confirm the Regulation 123 List, which may be amended if necessary, subject to appropriate consultation.
- 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

Month	Action
	invited to submit bids. Bidding process advertised through Local Plan Newsletter
August	Assessment of bids and preparation of summary report/liaison with Bidders
September	Summaries of the bids shall be circulated to all councillors as soon as they are available
October	Briefing session to Councillors followed by four week consultation period offering councillors the opportunity to comment on the bids received
November	Report to Executive Board
January	Briefing Session to Councillors. Report to Cabinet. Cabinet considers Spending Programme and recommends to Council.
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 Portion² which can also be applied to 'anything else that is concerned with addressing the

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)

² The Neighbourhood Portion shall only be used to fund projects which are accessible to all sectors of the community; bids for educational, political or religious schemes will not be considered

demands that development places on an area'. It is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies unless they will be made more severe by new development. It is important to recognise that CIL receipts can only be spent on capital projects, although associated revenue spending to maintain those capital items is also permissible. It can be used to increase the capacity of existing infrastructure or to repair failing infrastructure if that is necessary to support development. Funds may be released for project development work in advance of funds for specific projects if necessary.

13. In addition to understanding the infrastructure needs to support the planned growth within the borough, as well as the costs and funding requirements, it will be important to understand the phasing of growth as well as the need for phased funding and delivery of infrastructure. The housing development trajectory will therefore be key evidence to assist with prioritisation. The trajectory will be updated annually in conjunction with the 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 Corporate Strategy Priorities	
Support Regeneration	
Deliver other specific policies of the Local Plan	
Contribute to the delivery of other council strategies	
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	
Deliverable	

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 pot build with a view to future expenditure on larger infrastructure projects.

Interim Spends

21. Where it becomes expedient for an interim decision to be made outside of the annual spending process outlined in this protocol (for business reasons or matters of timing); the Head of Planning in conjunction with the Cabinet Lead and Section 151 Officer may consider an interim spend in exceptional circumstances.
22. Any spends will be assessed as outlined in Table 2. It is anticipated that in interim spend would not exceed £50K. Decisions taken in this respect will reported to Cabinet using the mechanism of the Cabinet Lead Report and as set out in paragraph 24.

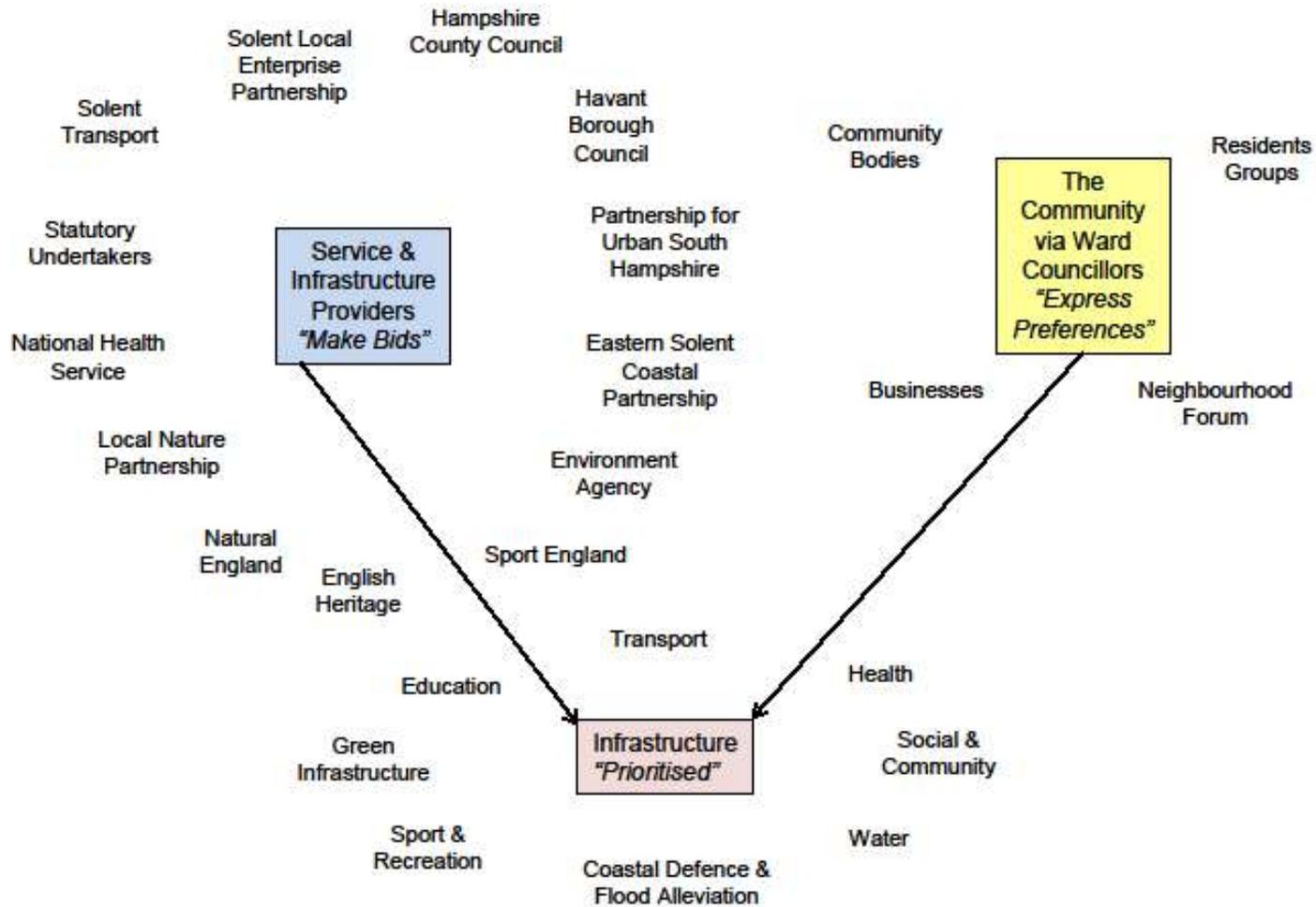
Payment of Funds

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

Monitoring

24. 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 Operations and Place Shaping Board.

Stakeholder Analysis



Appendix 2

Bid for Funding from Community Infrastructure Levy (Year) 123 Pot

Please Note: When preparing your submission, please ensure that your proposal is in conformity with criteria set out in the CIL Spending Protocol which can be viewed on our website: (www.havant.gov.uk/community-infrastructure-levy-spending-bid-process) 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
- Has a summary attached
- Has photo/s attached

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Infrastructure Provider/Service/Body/Community Group making the bid:

Project Lead Officer and contact details:

Project Title:

Description of Project:

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 (www.havant.gov.uk/localplan)

What are the costs of the project?

What other funding sources have been identified/explored? Please identify these sources below; your bid is unlikely to be successful if you have not identified/explored other funding sources.

1a. If CIL funding is not available what is the likelihood of funding from these sources within next 5/10 years?

1b. Is the project likely to be directly linked to and necessary as a result of foreseeable development and therefore a separate S106 contribution or S278 may be justified?

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

2a. If the project is to be undertaken in next financial year set out the outline Q1 – Q4 project plan:

2b. 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 ongoing maintenance costs:

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Bid Submission Requirements:

- **We require a summary of your report as we take the bid process forward. Please ensure you attach a summary of your bid (this will be used in our reports). The summary should include all the elements mentioned previously (excluding questions in black). Word limit, maximum of 300 words. Bids with a summary in excess of this word count will not be accepted**
- **Please attach a photo or photos representing your bid, which may be used to promote your project. Please be aware by providing these you are giving us permission to reproduce the image(s)**

Please return form by (Date)

To: cil@havant.gov.uk	Or: CIL Team, Planning Services Havant Borough Council Public Service Plaza Civic Centre Road Havant PO9 2AX Community Infrastructure Officer 023 92446545
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Bid for Funding from Community Infrastructure Levy (Year) Neighbourhood Portion

Please Note: When preparing your submission, please ensure that your proposal is in conformity with criteria set out in the CIL Spending Protocol which can be viewed on our website: (www.havant.gov.uk/community-infrastructure-levy-spending-bid-process) 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
- Has a summary attached
- Has photo/s attached
- Has been brought to the attention of a ward councillor

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Infrastructure Provider/Service/Body/Community Group making the bid:

Project Lead Officer and contact details:

Project Title:

Description of Project:

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

www.havant.gov.uk/localplan

What are the costs of the project?

What other funding sources have been identified/explored? Please identify these sources below; your bid is unlikely to be successful if you have not identified/explored other funding sources. For neighbourhood portion bids 50% match funding should be identified

1a. If CIL funding is not available what is the likelihood of funding from these sources within next 5/10 years?

1b. 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?

1c. Has your organisation received funds for this project already? Please provide details including the body providing the funding, the amount and date granted

1d. Have you discussed this project with a ward councillor? Please provide name of the Councillor, date, method of contact and outcome of discussion

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

2a. If the project is to be undertaken in next financial year set out the outline Q1 – Q4 project plan:

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2b. 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 ongoing maintenance costs:

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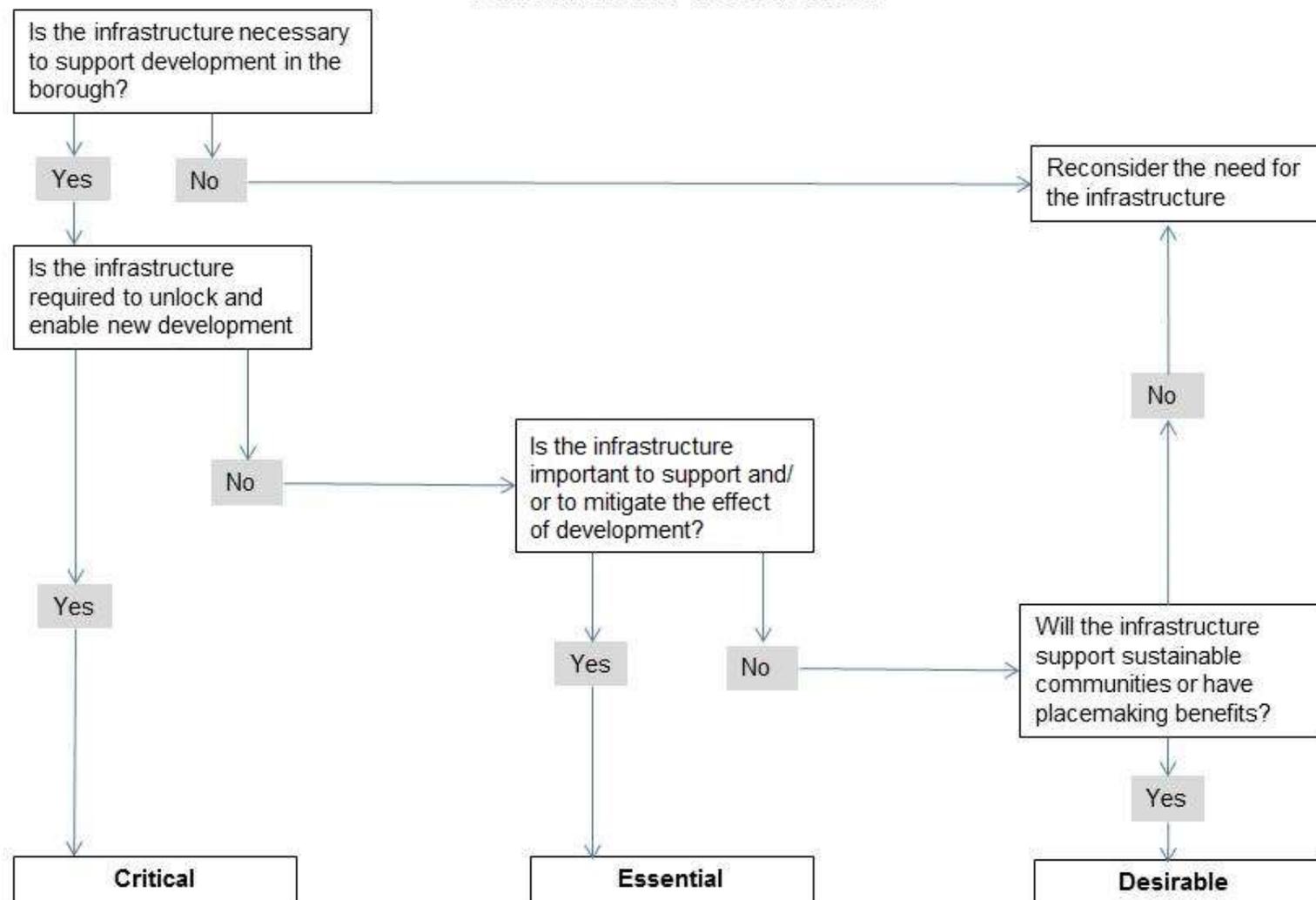
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Prioritisation Process Chart



Prioritised Infrastructure Projects Proforma

Bid	Criteria
	Have CIL funds already been allocated to this project?
	Contribute to delivery of Corporate Strategy (C) and Regeneration (R) Strategy Priorities
	Support Regeneration (CS6)
	Deliver other specific policies of Local Plan
	Contribute to delivery of other Council strategies
	Included in the Regulation 123 List
	Included in the Infrastructure Delivery Plan ¹
	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 ²
	Project located wholly within Havant Borough
	Timescale: Short (SHO) /Medium (MED)/ Long Term (LON) ³
	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)
	Rank after initial sift

¹ In Draft Infrastructure Delivery Plan (December 2017) or Infrastructure Delivery Plan (Submission Local Plan Version)

² 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//there are issues regarding deliverability

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

4= Not currently deliverable

³ 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)