

HAVANT BOROUGH COUNCIL

Planning Policy Committee

30 May 2023

First Annual Review of Community Infrastructure Levy (CIL) Spending Protocol Review

FOR DECISION

Cabinet Lead: Councillor Gwen Robinson – Cabinet Lead for Affordable Housing, Communities and CIL

Key Decision: No

Report number: HBC/002/2023

1. Purpose

- 1.1 This report is submitted to the Planning Policy Committee for scrutiny.
- 1.2 The report reviews the activities of the CIL Spending Protocol as set down in Paragraph 6.4 of that document.

2. Recommendation

- 2.1 Members are requested:
 - (i) To endorse the CIL Spending Protocol as fit for purpose in its current form with the exception of: (a) Paragraph 4.10 which should be removed (b) Note all Capital Spends need to be incorporated the Capital Programme.
 - (ii) To note that a further review be carried out in March 2024 to check if the spending of the Neighbourhood Portion (NP) has become embedded within the culture of the organisation.

3. Executive Summary

- 3.1 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 these funds, and to make that process transparent. The protocol was last approved at Council on 16 March 2022 and a mechanism introduced to review performance of this document.

- 3.2 Despite some resourcing issues the new approach to NP spending has provided a revenue stream to improve HBC assets arising out of growth and this has worked well, especially with reference to the delivery of play provision.
- 3.3 A Memorandum of Understanding has been agreed with the Emsworth Neighbourhood Forum and the Emsworth Infrastructure Panel has been set up to support the spending of the additional 10% NP due to Emsworth Ward. Additional detail on this is provided in Paragraphs 5.8 to 5.10.
- 3.4 We have identified that Paragraph 4.10 of the current protocol (reproduced below) is impractical for the following reasons:
- Current year bids run up to 31 March each year
 - There is live reporting of the sums remaining on the intranet
 - We are also aware of and can announce the NP Pot for the forthcoming year well in advance of the budget setting process

4.10 The amount of neighbourhood portion available will be confirmed as part of the budget setting process. This will also include confirmation of the amount of unspent Neighbourhood Portion from previous years, which delivery teams may roll over year on year, enabling pot building for larger projects if desired.

- 3.5 It is therefore recommended that the Planning Policy Committee endorse the amendment of the protocol, in line with resolution b) i of the decision on 16 March 2022¹. The amendment would involve deleting Paragraph 4.10 and renumbering Paragraphs 4.11 to 4.12.
- 3.6 We anticipate a greater number of NP spends being made in the 2023/2024 financial year now resourcing is less of an issue and some pots have been built.

4. Additional Budgetary Implications

- 4.1 None, however as mentioned later under Paragraph 7.1 and in the commentary provided by the S151 Officer, CIL is a corporate capital resource and as such ultimately needs approval of Full Council to fund the Capital Programme as per the Council's Capital Strategy approved by Council 22 February 2023.

¹ This is available at <https://havant.moderngov.co.uk/mgAi.aspx?ID=21146> and sets out: b) To grant delegated authority to the Head of Planning to amend the CIL Spending Protocol, in consultation with the Cabinet Lead for Housing, Communities & CIL (or any future Cabinet Lead responsible for Community Infrastructure Levy matters). Such changes shall be limited to

i. 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;

- 4.2 This will need to be taken onboard with all future CIL Capital Spends. The mechanism for this is likely to be approval of the spend within the Capital Programme at the subsequent full Council after the bid is made.
- 4.3 This change in process will need to be incorporated formally in the review of the CIL Spending Protocol anticipated to take place later this year.

5. Background and relationship to Corporate Strategy and supporting strategies and policies

- 5.1 Havant Borough Council is responsible for making the final decision on the allocation of funding raised through the Community Infrastructure Levy (CIL) in its area. The aim of the CIL Spending Protocol is to ensure that the decision-making process is transparent. It will guide the way future spend from CIL funds is allocated to projects.
- 5.2 The CIL Spending Protocol was approved at Council on 16 March 22 and implemented on 1 April 22. There is a mechanism for annual review at Paragraph 6.4, which is the subject of this report, this is restated below for convenience:
- 5.3 *‘In addition to ongoing monitoring by officers, the Council’s spending of CIL will be scrutinised at least annually by the Planning Policy Committee. This will examine the projects coming forward to review whether they are fully in line with the Council’s guiding principles (section 2) and other requirements in this protocol, 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.’*
- 5.4 When decisions on CIL spending are made they also support the Corporate Strategy. The latest Corporate Strategy 2022-2026 concentrates on the following themes:
- Wellbeing – the health of our communities
 - Pride in Place – creating a great place to live, work and enjoy
 - Growth – building
- 5.5 There has been no spending on Strategic CIL in the 2022/23 financial year except for funding previously committed to the Hayling Island Strategy and Langstone Funding Profiles, which was reported in the Cabinet Lead Report of 22 June 2022 (an extract of this report is provided at Appendix C). A review of those projects currently benefiting from Strategic CIL funding which have yet to be spent is underway. The newly established Infrastructure Delivery Board (IDB) is reviewing project eligibility aligned to Corporate Strategy priorities; funding mechanisms and deliverability. As the Local Plan progresses, we will have a clearer picture of the infrastructure needed to

support its delivery and this will also influence the consideration of Strategic CIL Bids.

- 5.6 The new Infrastructure Delivery Plan (IDP) will form a key part of the evidence base to support the Borough's new Local Plan, titled 'Building a Better Future'. It will also influence the council's infrastructure spending decisions. In addition, other workstreams, such as the council's Regeneration and Economy Strategy will rely heavily on infrastructure investment.
- 5.7 The process of applying for NP CIL Funding was simplified in the updated Protocol. Bid nominations can be made by Councillors or Project Teams. Once funding is formally applied for the process to obtain funds is efficient requiring sign off by the Cabinet Lead Cabinet Lead for Affordable Housing, Communities and CIL and the Planning Policy Manager. Details of the Neighbourhood Portion were added to the intranet in April 2022 and the information therein circulated to HBC Managers/Team Leaders then and again in September 2022. The funding pot totalling £499,566 was divided follows:
- Parks, play, open spaces, sport and leisure £234,523
 - Public spaces and facilities - £117,261
 - Community Centres - £58,631
 - Walking and cycling routes, paths and facilities - £58,631
 - Additional funds available for Emsworth - £30,520
- 5.8 In May 2022, the Council and the Emsworth Forum agreed a Memorandum of Understanding (MoU) regarding arrangements for the spending of the CIL Neighbourhood Portion in Emsworth. For reference, the content of the MoU is reproduced at Appendix D.
- 5.9 Since then, an informal infrastructure panel comprising members of the forum, council officers, the Cabinet Lead for Affordable Housing, Communities and CIL and ward councillors has met regularly and has established a list of priority projects for the area, updated through panel meetings and written updates. Progress towards delivery of projects is kept under review, and the use of CIL is discussed through this mechanism, while formal sign-off of the use of all CIL funds is retained by the Council, as foreseen through the protocol agreed in 2022.
- 5.10 The Spencer's Field Play Area refurbishment (mentioned in Table 1 later) is a good example of collaborative working through the infrastructure panel. The local community had already raised substantial funds towards this project, and through discussions, the Forum suggested that funds from the 10% Neighbourhood Plan uplift of CIL should be put towards the project. In turn,

the Cabinet Lead for Affordable Housing, Communities and CIL has agreed to fund the remainder of the project from the borough-wide Neighbourhood portion for play parks, with delivery of the project now planned for 2023/24.

- 5.11 In the financial year 1/4/22 to 31/3/23 the following Neighbourhood Portion CIL Spends have been approved, with project delivery being led by the Community Team on Projects 174 to 252 in Table 1 and CELT for Project 263:

Exacom Project Ref.	Name/Description	Amount
174	Refurbishment Emsworth Recreation Ground Pavilion	£80,000
246	Bidbury Mead Play Area Refurbishment	£115,000
247	Front Lawn Play Area Refurbishment	£115,000
252	Refurbishment of Play Area located within Spencers Field ²	£60,000
263	Eastoke Corner Footpath Improvements	£20,000
TOTAL		£390,000

Table 1: NP CIL allocations/spends in progress

- 5.12 Unfortunately, the NP Pot may not have been as widely spent in its first year of the fund being announced by theme internally due to:
- Pot building
 - Project/Delivery Team resourcing, due in part to the split with East Hampshire District Council
 - The process bedding in – in May 2022 a form was created specifically for Councillors to alert the Cabinet Lead of projects that potentially needed NP funding which was circulated by her to all Councillors. This can be viewed in Appendix B.
- 5.13 To date, over 78% of the NP pot for 2022 has been allocated despite the restrictions on spending noted in Paragraph 5.12 which are exceptional in their nature and temporary. In order to facilitate the new approach, existing successful working relationships between internal teams have been further strengthened with regular and close engagement: Highlighting funds available in each theme, other sources of development contributions funding and how pipeline projects can be facilitated towards delivery. Boosting the proportion of funds allocated to specific projects will continue to be a focus in the next 12 months as internal resource constraints ease. Nonetheless some of the themes do not have a high allocation, which restricts what can be achieved

² Due to time constraints on lottery funding, funds granted as follows:

£30,000 Emsworth NP. £4,523 balance of Parks, Play etc. Theme 1/4/22 and £25,477 allocated in advance from Parks, Play etc. Theme available 1/4/23.

with a single year of funding. As a result this necessitates pot building over multiple years in order to bring forward any projects of discernible size. As such, it is considered that there will always be an element of carry-over, particularly in any years where the total amount of CIL collected is lower.

- 5.14 We have received a number of other enquiries regarding NP funding from Councillors and Internal teams but these are currently unable to be progressed. They are either premature, in need of more information or may not be a current priority for the relevant team. These are listed within Table 2 below:

Exacom Project Ref.	Name/Description
239	Havant and Waterlooville Football Club Improvements to changing, public space and Car Park
240	Hermitage Stream
245	Bedhampton Community Centre
256	Accessible Toilet Facilities Springwood Centre

Table 2: NP CIL funding requests also presented since 1/4/22

- 5.15 Projects coming up in 2023 are likely to include:

Name/Description
Woodland Signage (sum to be confirmed)
Refurbishment of Eastoke Play Area, Outdoor Gym and MUGA Facility £200K

Table 3: Potential NP CIL allocations

- 5.16 Whilst also being published on the intranet, the NP 'Pot' 1/4/23 without the addition of any unspent sums carried forward is as follows:

Theme	%	Amount
Parks, play, open spaces, sport and leisure	50%	£235,528.36
Public spaces and facilities	25%	£117,764.18
Community Centres	12.50%	£58,882.09
Walking and cycling routes, paths and facilities	12.50%	£58,882.09
	Sub total	£471,056.71
Additional NP for Emsworth		£14,897.33
	Grand total	£485,954.04

Table 4: Calculation of NP available 1/4/23 (not including carried forward underspends)

6. Options considered

- 6.1 None. This document is to report on the performance of the CIL Spending Protocol 2022.

7. Resource implications

Financial implications

- 7.1 While the CIL Spending Protocol sets out the process and the criteria to be applied to decision on allocating funds from the Community Infrastructure Levy, no specific financial implications arise from its contents, however sums have been allocated/are in the process of being spent for the projects outlined in Table 1.

Section 151 Officer comments

As mentioned in Section 7.1 the report seeks the approval of the protocol and as such the recommendations have no direct financial implications.

CIL is a corporate capital resource and as such ultimately needs approval of Full Council to fund the Capital Programme as per the Council's Capital Strategy approved by Council 22nd February 2023.

Human resources implications

- 7.2 The administration of CIL is covered by existing posts within the Place Service.

Information governance implications

- 7.3 While as part of the process of collecting and spending CIL, personal information is handled, the CIL Spending Protocol itself and this review, the subject of this report, does not involve the use of personal identifiable information/data and/or personal sensitive or confidential information/data.

Climate and environment implications

- 7.4 This report in itself does not have any climate and environment implications but projects delivered through the allocation of CIL will have and climate and environment implications will be considered on an individual project basis.

Other resources implications

- 7.5 None.

8. Legal implications

- 8.1 The collection and spend of CIL is governed by The Community Infrastructure Levy Regulations 2010 (as amended). The current protocol is in line with these provisions.

Monitoring Officer comments

The collection and spend of CIL is governed by The Community Infrastructure Levy Regulations 2010, as amended. The proposed Protocol is in line with these provisions.

The Community Infrastructure Levy (CIL) is one important source of funding which can contribute to the cost of infrastructure needed to support development across the Borough.

To ensure consistent and equitable application of the money collected, a clear CIL governance structure to oversee the spending of CIL monies is desirable and this report deals with the key governance arrangements around this.

17th February 2023

9. Risks and mitigations

- 9.1 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.

10. Consultation

- 10.1 The CIL Protocol 2022 was drafted in close consultation with the Leader and the Cabinet Lead for Housing, Communities and CIL before being agreed at Council in March 2022.

11. Communications

- 11.1 No particular communications are planned following approval of this document although it will be made available on the CIL pages of the Council's website.

12. Appendices

Appendix A - Community Infrastructure Levy Spending Protocol (2022)

Appendix B - CIL Neighbourhood Potential Projects – Councillor Suggestion Form

Appendix C - Hayling Island Strategy and Langstone Funding Profiles

Appendix D - MoU Final May 2022

Agreed and signed off by:

Cabinet Lead: Cllr Gwen Robinson 25/01/2023

Acting Executive Head Place: Neeru Kareer 16/02/2023

Executive Head of Place: Alex Robinson 14/04/2023

Chief Legal Officer and Monitoring Officer: Mark Watkins 17/02/2023

Head of Corporate Finance and Deputy S151 Officer: Wayne Layton 16/02/2023

Contact officer:

Name: Louise Weaver

Job title: Development Infrastructure Team Leader

Phone number: 023 92446545

Email: louise.weaver@havant.gov.uk