

<b>Name of Committee:</b>	Planning Policy Committee		
<b>Committee Date:</b>	04/03/2024		
<b>Report Title:</b>	Annual Review of Community Infrastructure Levy		
<b>Responsible Officer:</b>	Alex Robinson – 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>			
<b>Background Papers:</b>	CIL Spending Protocol 2022 CIL Spending Protocol 2024		
<b>Officer Contact:</b>	Louise Weaver, Development Infrastructure Team Leader		
<b>Report Number:</b>	HBC/081		

### Corporate Priorities:

The Council's Community Infrastructure Levy (CIL) Spending Protocol ensures that schemes support the Corporate Strategy whilst complying with the CIL Regulations 2010 (as amended). 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. This report is the second Annual Review of Community Infrastructure Levy and sets out details on spending decisions made during the 2023/2024 financial year to-date.

The approach to Neighbourhood Portion (NP) spending has provided a revenue stream to improve the Council's assets rising out of growth and this continues to work well, especially with reference to the delivery of play provision.

The Council is faced with falling CIL receipts in the coming years which will have an impact on the amount of both Strategic and Neighbourhood Portion CIL 'Pots' (and the consequent investment in infrastructure) until such time as receipts recover.

**Recommendations:**

- 1) To note the Neighbourhood Portion spends which took place during the 2023/2024 year and the impact on the Borough's infrastructure.
- 2) To note that no changes need to be made in the forthcoming financial year in respect of the Neighbourhood Portion distribution.

## 1. Introduction

1.1. The report reviews the activities of the CIL Spending Protocol 2024 as set down in Paragraph 6.4 of that document and is submitted to the Planning Policy Committee for scrutiny.

## 2. Background

2.1. The Council collects Community Infrastructure Levy (CIL) monies from developers that undertake building projects in the borough. The CIL Spending Protocol guides spending decisions in relation to these funds, making that process open and transparent. The protocol was last approved at Council on 28 February 2024 and a mechanism continued to review performance of this document at Planning Policy Committee. Paragraph 6.4 is restated below for convenience:

*'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.'*

### Strategic CIL

2.2. Strategic CIL bids were invited 4 October 2023 onwards. At the time of publication, the following allocations of Strategic CIL are proposed for allocation at Council on 28 February 2024 (as reported in Cabinet Papers of 14 February 2024, due to timing of publication of the relevant papers any changes will be reported at Planning Policy Committee).

Description	Amount
Langstone Flooding and Coastal Erosion Risk Management (FCERM)	£2,500,000
Changing Places	£150,000
Northney Drainage	£184,000
Hayling Seafront Signage	£50,000

Hayling Seafront Boardwalks	£30,000
<b>TOTAL</b>	<b>£2,914,000</b>

**Table 1: Proposed Strategic CIL Allocations 1/4/2024**

2.3. The total Strategic CIL funds available for allocation were £5,924,832.54. Progress on spends agreed at Council on 28 February 2024 will be reported in the next review. The funding spent to-date on previous Strategic Projects is viewable:

<https://pfm.exacom.co.uk/havant>

Spends on existing allocations are also regularly reported in the Cabinet Lead Report.

### **NP Allocation of Funding 1/4/2023-31/3/2024**

2.4. New available funding totalling £485,959.04 was divided as set out in Table 2A in line with the CIL Spending Protocol, Table 2B shows the total 'pot' available including unspent NP funds carried forward from 2022/23:

<b>Theme/Item</b>	<b>%</b>	<b>Amount</b>
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
	<b>Grand total</b>	<b>£485,954.04</b>

**Table 2A: New NP CIL Funding Allocation 1/4/2023-31/3/2024**

Theme/Item	%	Amount (Rounded)
Parks, play, open spaces, sport and leisure	50%	£243,160
Public spaces and facilities	25%	£155,025
Community Centres	12.50%	£117,513
Walking and cycling routes, paths and facilities	12.50%	£97,513
	Sub total	613,211
Additional NP for Emsworth		£15,417
	<b>Grand total</b>	<b>£628,628</b>

**Table 2B: Total CIL Funding Allocation 'NP CIL Pot' 1/4/2023-31/3/2024 (including unspent funds carried forward 2022/23)**

### Emsworth Area

2.5. Emsworth Residents' Forum (formerly known as the Emsworth Neighbourhood Forum) have agreed to allocate £30,000 to-date as a contribution to the total project cost of refurbishment of the Spencers Field Play Area. Remaining funds are likely to be carried forward into 2024/25. Table 3 gives a summary of funding set aside to date:

Financial year	Allocation	Expenditure	Project Supported	Balance C/f
1/4/22-31/3/23	£30,520.20	£30,000	(252) Spencers Field Play Area	£520.20
1/4/23-31/3/24	£14,897.33	£0	N/A to date	£14,897.33
	£45,417.53	£30,000	<b>TOTAL</b>	<b>£15,417.53</b>

**Table 3: Emsworth Area Neighbourhood CIL Funding Allocations**

2.6. This financial year to-date, the following Neighbourhood Portion CIL Spends have been approved, with individual project delivery being led by the Community Team and Civil Engineering and Landscape Team (CELT) as outlined in the table below:

Ref	Description	Amount	Other	Theme	HBC Team Leading	Scheme Progress
252	Spencers Field Play Area	£25,477	£34,523 previous financial year (including £30,000 ERF)	Parks, play, open spaces, sport and leisure/ ERF	Community	Complete
263	Eastoke Corner Footpath Improvements	£10,000	£20,000 previous financial year	Walking and cycling routes, paths and facilities	CELT	Complete
272	Grow it Cook it Eat it	£3,000		Public spaces and facilities	Community	Partially delivered
276	Eastoke Corner Play Park Refurbishment	£200,000		Parks, play, open spaces, sport and leisure	Community	Starting towards end of Feb 2024 – six weeks anticipated completion
278	DDA Compliant Path with Lighting Gauntletts Park	£29,268		Walking and cycling routes, paths and facilities	CELT	Looking to commence delivery of this project during Summer 2024, subject to Planning Approval
280	Havant and East Hants MIND Meridian Centre	£50,000		Public spaces and facilities	Community	In delivery, opening anticipated shortly
287	Removal and Replacement of Swing Frame at Longwood Park	£3,344		Parks, play, open spaces, sport and leisure	Community	Complete
288	Extension to safety surfacing within Play Area at	£2,653		Parks, play, open spaces, sport	Community	Complete

	Emsworth Recreation Ground			and leisure		
289	New Fencing Around Mengham Park Play Area	£3,500		Parks, play, open spaces, sport and leisure	Community	Complete
	<b>Total</b>	£327,242				

**Table 4: NP Applications Granted Funding 1/4/2023-31/3/2024**

2.7. The following provisional allocations have also been made and are in the process of being progressed. These are itemised further in Table 5, please note that as these are provisional, they may be subject to change:

Ref.	Description	Amount	Theme	Outstanding
238	Woodland Signage	£1,000	Public spaces and facilities	Application Form and wording of sign to be agreed
256	Springwood Centre Infrastructure Improvements	£56,257	Community Centres	Application Form and scope of project to be identified
290	Waterlooville Regeneration Infrastructure Interventions	£150,000	Public spaces and facilities/ Walking and cycling routes, paths and facilities	Application Form and scope of project to be identified
295	Jubilee Pavilion Infrastructure Improvements	£56,256	Community Centres	Application Form and scope of project to be identified
297	Underpass Contribution in Emsworth	£9,000	Walking and cycling routes, paths and facilities	Application Form, full costing and match funding
	<b>Total</b>	£272,513		

**Table 5: Provisional Applications 1/4/2023-31/3/2024 from 2023/24 Funding Pot (including unallocated funds 2022/3)**

2.8. We have received a number of other enquiries regarding Neighbourhood Portion funding from Councillors and Officers but these are currently unable to be progressed. They are either premature, in need of more information, may not be a priority or there is insufficient funding available. The fund will be refreshed at 1 April

2024 and more detail is provided on allocation of Neighbourhood Portion funding in the year starting on 1 April 2024 in Paragraphs 2.13-2.16.

## **Summary of Neighbourhood Portion Spending**

- 2.9. The majority of Neighbourhood Portion funds have been allocated, however, delivery of some of the provisional allocations has not been finalised (Table 5). In respect of Waterlooville Regeneration Infrastructure Interventions, this is dependent on the outcomes of the Waterlooville Masterplan which is currently in development. The short term outcomes, when they have been identified, will influence the scope and delivery of this scheme (290).
- 2.10. Resourcing also remains an issue, particularly for the Estates Team who have a number of permanent vacant posts. They have however indicated their intention to use the funds in that theme for energy efficiency improvements, both the Springwood Centre and the Jubilee Pavilion being identified for consideration.
- 2.11. To date, over 95% of the NP pot for 2022/23 and 2023/24 has been allocated or provisionally allocated.
- 2.12. Despite some resourcing issues the new approach to NP spending continues to provide a revenue stream to improve HBC assets and other projects identified in the Corporate Strategy, arising out of growth. This has worked well, especially with reference to the delivery of play provision which receives the greatest proportion. When selecting projects to apply for NP CIL funding, the Community Team have evidenced the prioritisation of playground replacement through a five year development programme. This ensures priority through need, safety and geographical spread.

## **Future allocation of NP funding**

- 2.13. Looking forward to the commencement of the new municipal year, all Councillors will have the opportunity to receive training on CIL.



- 2.14. After the training session an ‘application window’ of 4 weeks will take place commencing in May 2024, during which Councillors and Council delivery teams will be encouraged to submit suggestions on NP CIL Spending.
- 2.15. The new NP CIL funds available for 1/4/2024-31/3/2025 are detailed in Table 6 (there will also be funds carried forward from 2023/2024 to be added to these sums to make the total funding pot):

Parks, play, open spaces, sport and leisure	50%	£309,283.50
Public spaces and facilities	25%	£154,641.75
Community Centres	12.50%	£77,320.88
Walking and cycling routes, paths and facilities	12.50%	£77,320.88
	Sub total	£618,567.00
Additional Neighbourhood Portion for Emsworth		£11,926.43
	<b>Grand total</b>	<b>£630,493.43</b>

**Table 6: New NP CIL Funding 1/4/2024-31/3/2025**

- 2.16. Due to funding available and the limitations of the themes, all projects identified will be assessed against the CIL Spending Protocol and the Corporate Strategy as well as being reviewed for deliverability. A decision will then be taken on the majority of Neighbourhood Portion Funds to be allocated. If any monies remain unallocated these will be available for allocation during the remainder of the financial year.

### **Future CIL Income**

- 2.17. CIL income is variable and is dependent upon commencements. Prior to the Pandemic, CIL receipts were increasing year on year. The Pandemic had an impact on housing delivery resulting in fewer builds commencing and a consequent reduction in CIL Income. Since then, CIL receipts have not returned to pre-pandemic levels and are further impacted by the slowdown in the housing market in response to the economic climate. Table 7 below gives more detail:

Monitoring period	Gross CIL received	Anticipated CIL receipts
1/4/2021 – 31/3/2022	£3,179,300	N/A
1/4/2022 – 31/3/2023	£2,727,048	N/A
1/4/2023 – 31/3/2024	N/A	£1,658,819

**Table 7: CIL Income 1/4/2021 to 31/3/2024**

2.18. Due to economic uncertainty, we may be faced with a further fall in CIL Income and this will affect the availability of CIL funds to invest in infrastructure from 1 April 2025. At the next annual review, it may be necessary to revisit the Neighbourhood Portion categories and proportions if Neighbourhood Portion spending is to meet the infrastructure needs of the Corporate Strategy.

### **3. Options**

3.1. None considered. This document is to report on the performance of the CIL Spending Protocol 2022 (updated 2024).

### **4. Relationship to the Corporate Strategy**

4.1. Both Strategic and Neighbourhood Portion CIL Spending is prioritised according to the Corporate Strategy and the infrastructure identified within it to support the borough.

### **5. Conclusion**

5.1. No changes are suggested to approach to spending CIL. Within the context of falling receipts, it is likely to be important to consider if the NP distribution remains satisfactory to deliver the aims of the Corporate Strategy or needs revision at the next annual review.

### **6. Implications and Comments**

6.1. S151 Comments - The recommendations of the report have no financial implications and I am happy to confirm all spend has complied with the protocol.

6.2. Financial Implications – All allocations recorded in the Capital Strategy appropriately.

- 6.3. Monitoring Officer - The collection and spend of CIL is governed by the Community Infrastructure Levy Regulations 2010, as amended. To ensure a consistent and equitable application of the money collected, a clear CIL governance structure oversees the spending of CIL monies. This structure includes an annual report which provides details on spending decisions made during the 2023/2024 financial year to-date.
- 6.4. Legal Implications - The use of CIL receipts including the 'neighbourhood portion' is governed by the CIL Regulations 2010
- 6.5. Equality and Diversity - This report has no direct equality impact. Due regard to the Public Sector Equality Duty is given when CIL is being allocated for expenditure and is 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.
- 6.6. Human Resources - The administration of CIL is covered by existing posts within the Place Service and is funded through CIL administration charges at zero cost to the Council.
- 6.7. 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.
- 6.8. Climate and Environment - This report does not have any climate and environment implications but CIL spends consider the Climate Change Strategy and the Biodiversity Duty imposed by the Environment Act 2021 during scheme development.

## **7. Risks**

- 7.1. Risks to the Council as a result of this report are minimal. This report provides a review of CIL funds allocated 1/4/2023 to 31/3/2024 and is reporting factual data.

**8. Consultation**

8.1. No public consultation is proposed. Consultation takes place as necessary on individual infrastructure projects proportionate to the scale and type of infrastructure proposed.

**9. Communications**

9.1. To facilitate a wider understanding of CIL allocations and expenditure we have our publicly accessible developer contributions system, pages on our website concerning the CIL Allocation Process and separate Share Point systems for Internal Teams and Councillors. Our website at annual intervals will invite infrastructure providers to put forward expressions of interest and complete forms for Strategic CIL spends where appropriate. Training in respect of CIL will be held after the start of the municipal year and offered to new and existing Councillors.

<b>Agreed and signed off by:</b>		<b>Date:</b>
<b>Cabinet Lead:</b>	Cllr Gwen Robinson	02/02/2024
<b>Executive Head:</b>	Alex Robinson	07/02/2024
<b>Monitoring Officer:</b>	Jo McIntosh	22/02/2024
<b>Section 151 Officer:</b>	Steven Pink	15/02/2024