

# Interim Infrastructure Funding Statement (IFS)

Community Infrastructure  
Levy (CIL)

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## 1. Introduction

- 1.1. This is an interim Infrastructure Funding Statement (IFS) providing a summary of the financial contributions relating to the Community Infrastructure Levy (CIL) within East Hampshire District (outside of the South Downs National Park) for 'this year' (01/04/2019 – 31/03/2020). Whenever this document says, 'this year', it is this period it is referring to.
- 1.2. The Council is progressing introducing a CIL Spending Protocol and revoking the Planning Contributions and Community Infrastructure Levy SPD. These will be considered by Full Council towards the end of January 2021<sup>1</sup>. Following these decisions, a full IFS will be prepared and published, anticipated in the Spring/early summer. This will include listing the projects that are intended to be funded by CIL.

## 2. Community Infrastructure Levy (CIL)

- 2.1. CIL is intended to fund generalised infrastructure requirements across the district to support new development. It is a mechanism to secure financial contributions from developers on certain viable developments. CIL income can be used to fund additional infrastructure required to support new development including roads, schools, green spaces and community facilities.
- 2.2. The levy is charged in pounds (£) per square metre on new floorspace (measured as gross internal area) of any type of development which has a CIL rate set in the Charging Schedule.
- 2.3. The Council adopted its Community Infrastructure Levy Charging Schedule on 25 February 2016, and its charging schedule is published online at [www.easthants.gov.uk/cil-charging-schedule](http://www.easthants.gov.uk/cil-charging-schedule).

## 3. Planning Contributions and Community Infrastructure Levy Supplementary Planning Document (SPD)

- 3.1. In April 2016, the Council adopted the Planning Contributions and Community Infrastructure Levy SPD, which set the Council's approach to delivering infrastructure associated with new development following the introduction of CIL charging in April 2016.
- 3.2. Since the abolition of Regulation 123 of the CIL Regulations 2010 (as amended), the IFS will identify the infrastructure priorities. The Council's Planning Contributions and Community Infrastructure Levy SPD 2016 refers to Regulation 123 throughout and will be superseded by the IFS when in final form (subject to Full Council decision, as noted). The two documents are likely to be contradictory as the SPD was prepared at a point in time. Therefore, it is

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<sup>1</sup> See <https://easthants.moderngov.co.uk/mgCalendarMonthView.aspx> for calendar of committee dates.

considered necessary to revoke the Planning Contributions and Community Infrastructure Levy SPD to provide a clear policy framework moving forward. A report to consider the proposed Spending Protocol and the revocation of the SPD was considered by the Planning Policy Panel on 21 December 2020<sup>2</sup> and is scheduled for Full Council in January 2021.

## 4. Section 278 Highway Agreements

- 4.1. Section 278 Agreements (S278) are legal agreements that can fund infrastructure. These are legally binding agreements made under the Highways Act 1990 between Local Highway Authorities and Developers. S278 agreements are required to ensure that the road networks are able to cope with new development. S278 agreements are the responsibility of Hampshire County Council as the Highway Authority. The County Council is able to provide further data regarding these agreements during this year.

## 5. Forecasting

- 5.1. National guidance suggests that councils should consider reporting on estimated future income where possible. The Council will look at incorporating forecasting of developer contributions within future versions of the IFS.

## 6. Community Infrastructure Levy (CIL) Contributions

### Monitoring (the Council)

- 6.1. For East Hampshire District (outside the SDNP), the total amount of CIL payments collected from developments this year is £818,023.99.
- 6.2. The Council started collecting CIL in April 2016. Up to the start of this year (1 April 2019), the Council had already collected £2,393,808.64 in CIL payments from developments. Therefore, up to the end of this year (31 March 2020), the Council has collected in total £3,211,832.63 in CIL payments from development<sup>3</sup>.
- 6.3. This total amount collected (£3,211,832.63) does not equate to money that is available to the Council to allocate to spend on infrastructure. 5% of this total contributes towards covering the Council's administration costs, and 15% or 25% is passed to Parish/Town Councils (known as "the neighbourhood portion" – see more information further on in this report).
- 6.4. Of this total amount collected (£3,211,832.63), £160,591.63 has contributed towards the Council's administration costs and £540,269.49 has been passed to Parish/Town Councils as the neighbourhood portion. From this year's CIL money collected (£818,023.99), £40,901.20 has gone towards the Council's administration costs, and £183,194.70 has been passed on as the neighbourhood portion.

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<sup>2</sup> <https://easthants.moderngov.co.uk/mgCommitteeDetails.aspx?ID=412>

<sup>3</sup> Note, this is from chargeable developments – not all developments have to pay CIL as there are some exemptions.

- 6.5. This leaves a total amount of CIL collected that is available to fund infrastructure projects of £2,510,971.51 (as at 31 March 2020). Further money has been collected since then, and the total amount is as per the date/point in time.
- 6.6. The amount of CIL spent on repaying money borrowed, including any interest, is zero.
- 6.7. To spend the CIL money collected, the Council needs to have a Spending Protocol in place. This sets out the governance and process for how infrastructure projects will be allocated funds. Now that there is sufficient money collected to enable key deliverable projects to be allocated funds, the Council is taking steps to adopt a Spending Protocol (as noted). The process put in place will then inform the projects listed in the next IFS.

#### Monitoring (Neighbourhood Portion)

- 6.8. Where all or part of a development is within the area of a parish or town council, the Council must pass a portion of the CIL payment from the development to the parish/town council. The portion (“the neighbourhood portion”) is either 15% or 25% depending on whether a Neighbourhood Plan is in place.
- 6.9. In East Hampshire District, Alton, Medstead and Four Marks, Bentley and Ropley have ‘made’ Neighbourhood Plans and receive the 25% proportion. All others receive 15%, which is capped at a maximum of £100 per existing council tax dwelling per year<sup>4</sup>.
- 6.10. The amount of money passed to the Parishes/Town Councils this year is £183,194.70. This is broken down by area in Table 1. Not all Parish/Town Councils in the district appear in this list – that means they did not receive any neighbourhood portion this year, as there was either not any chargeable development in their area during that time or the money was not requested and remains held by the Council<sup>5</sup>. They may have been passed a neighbourhood portion in previous years – this is reported by the Parish/Town Council themselves.

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<sup>4</sup> For example, if a parish has 300 existing dwellings, then they could not receive any greater than £30,000 from CIL neighbourhood monies in a year.

<sup>5</sup> This option is sometimes preferred as it enables the pot to be built up, and extends the life span of the money (note further in the report re 5 year payback if not spent).

6.11. Table 1 – Amount of money passed to Parish/Town Councils (“neighbourhood portion”) this year, and the amount retained in total

Parish/Town Council	Amount	Total amount retained	Monitoring report available (this yr)*
Alton Town Council	£8,005.91	£13,156.58	Y
Bentley Parish Council	£18,813.52	£18,813.52	Y
Binstead Parish Council	£14,268.30	£16,671.57	Y
Bramshott & Liphook Parish Council	£6,504.46	£22,438	Y
Chawton Parish Council	£10,908.00	£10,908.00	
Clanfield Parish Council	£2,413.96	£22,110.89	Y
Grayshott Parish Council	£99,617.02	£59,517.97	Y
Horndean Parish Council	£13,432.14	£20,999.61	Y
Kingsley Parish Council	£3,102.30	£3,102.30	Y
Medstead Parish Council	£5,263.03	£60,903.42	Y
Rowlands Castle Parish Council	£866.06	£866.06	
<b>Total</b>	<b>£183,194.70</b>		

\*See Appendix A for links to monitoring reports.

- 6.12. Whilst the District Council must spend its CIL funds on the provision, improvement, replacement, operation, or maintenance of infrastructure needed to support the development of the area, 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’.
- 6.13. However, if the money received (excludes the District Council as the Charging Authority) is not spent within 5 years of receipt, or is not spent on initiatives that support the development of the area, the Council (as the Charging Authority) may lawfully require the money/some of the money to be repaid, back to the Council.
- 6.14. For each year that a Parish/Town Council has received a neighbourhood portion payment, it must publish specific information<sup>6</sup>, which includes how much money it has received, spent and retained from the neighbourhood portion. This information should be published on their website. If no money has been received, as is the case for some Parish/Town Councils this year, they do not have to publish a report, but national planning guidance does advise in the interests of transparency publishing a report to that effect. There is likely to be retained money by those Parish/Town Councils not listed in Table 1, where they have received money in previous years and it is still retained, and available to spend.
- 6.15. The Council will work with Parish/Town Councils to align priorities for the allocation of the Council’s CIL, and the neighbourhood portion.

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<sup>6</sup> As set out in regulation 121B of The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019, <https://www.legislation.gov.uk/uksi/2019/1103/regulation/9/made>

## 7. Funding from Community Infrastructure Levy (CIL)

- 7.1. The Planning Practice Guidance states that the IFS must include a report on the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partly by the levy (excluding the neighbourhood portion).
- 7.2. This Interim IFS is published whilst the Council's proposed Spending Protocol is progressing through the Council's committees (as noted). The report being considered by the Council sets out the intended process for infrastructure projects to be agreed for CIL funding and listed on the IFS. Subject to Full Council consideration, it is the intention that key infrastructure projects that are deliverable within the next 12 months are listed in the forthcoming IFS.
- 7.3. In the meantime, the Council is aware of the following projects, which it would encourage to apply to be considered for inclusion in the next IFS. These are projects that are progressing in their preparation, some of which have some funding already assigned from other sources, and as such any CIL contribution agreed would be filling a funding gap.
- 7.4. All chargeable development will still need to pay CIL regardless of any potential projects listed in this document or forthcoming IFSs. Where infrastructure is needed to make a development acceptable in planning terms, it will continue to be secured by S106<sup>7</sup>.
- 7.5. Projects
- 7.6. The following are projects the Council is aware of that it encourages to apply for inclusion in the next IFS. The Council does not suppose the outcome of their application in any way, and any other project that can demonstrate it meets relevant criteria is welcome to apply when the application process opens. The relevant information and forms are available in the committee report (as noted, see relevant links on the Council's website). We would encourage any project interested in applying for CIL funding to start considering this information as soon as possible.
- 7.7. These projects are not listed in priority order.
- 7.8. A new community building in Four Marks
- 7.9. Four Marks Parish Council is currently preparing concept designs for a new community facility which will house the Scouts, Youth club, some sports (badminton/basketball), meeting rooms, café and pop business space. A project consultant has been appointed, with the aim to start planning discussions in the new year.

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<sup>7</sup> Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development.

7.10. A 3G Pitch at Bohunt School in Liphook

7.11. Currently the pitch at Bohunt School in Liphook is a sand dressed pitch which is reaching the end of its useable lifespan, and is therefore in need of replacing. The East Hampshire Local Football Facility Plan (2020) identifies this as a key project and recommends a full size floodlit 3G pitch which can be used throughout the year and would support a number of different clubs from Liphook and the surrounding areas.

7.12. The scheme will be brought forward by Bohunt School in partnership with other organisations, including Hants FA and the Football Foundation. The total project cost is £750k. Funding allocated to the project so far includes £50k from Bohunt School and £350k from the Football Foundation. There is a funding gap of £350k. Design work will need to be carried out.

7.13. Allen Gallery, Alton

7.14. In January 2020, Hampshire Cultural Trust submitted an expression of interest to the National Lottery Heritage Fund for funding towards upgrading the gallery, to improve facilities and increase capacity. The expression of interest to the National Lottery Heritage Fund received a positive response and the Trust was invited to submit a phase 1 application around September time. Due to the Covid pandemic, the lottery closed all its funding pots in March 2020 and will not re-open them until February 2021, when a new expression of interest will need to be submitted. The Trust has been working on this over the summer, and intends to submit when the opportunity re-opens.

7.15. The application to the National Lottery Heritage Fund will be for approx. £750k. The development is likely to cost approx. £1m, so there is a potential funding gap of £250k.

7.16. Highway improvements

7.17. Hampshire County Council is the highways authority, and delivers key transport infrastructure projects. Projects in Alton and Four Marks are under consideration/progressing, on which there may be funding gaps. These include:

- A339/B3349 White Down Lane junction improvements, Alton
- New Odiham Road/B3349 junction improvements, Alton
- Anstey Lane/Anstey Road pedestrian enhancements, Alton
- Boyneswood Lane/A31 junction improvements, Four Marks.

7.18. Holybourne theatre, Alton

7.19. An extension at the theatre is nearly complete. The following associated projects are identified:

- Hardwearing flooring through new foyer (currently it is painted concrete), approx. £10k.



- Hydraulic change bed for the disabled toilets, approx. just short of £1,400.
- A Hearing Loop, approx. £1200.
- New stage, curtains and improvement to sound systems, approx. £6000.

7.20. Some of the smaller projects listed above may be more suited to the Neighbourhood Portion of CIL, but projects that demonstrate they are supporting new development are welcome to apply to the Council's CIL (in accordance with the proposed Spending Protocol).

## **Appendix A - Links to published monitoring data of Neighbourhood Portions for this year (2019/2020)**

Alton Town Council

[www.alton.gov.uk/\\_UserFiles/Files/2020%20Monitoring%20Form.pdf](http://www.alton.gov.uk/_UserFiles/Files/2020%20Monitoring%20Form.pdf)

Bentley Parish Council

[http://www.bentleyparishcouncil.co.uk/\\_UserFiles/Files/Finance/CiL%20report.xlsx](http://www.bentleyparishcouncil.co.uk/_UserFiles/Files/Finance/CiL%20report.xlsx)

Binstead Parish Council

<https://binstedparishcouncil.files.wordpress.com/2020/08/cil-funding-report-2019-20.pdf>

Bramshott & Liphook Parish Council

<http://bramshottandliphook-pc.gov.uk/wp-content/uploads/2020/07/CIL-Annual-Statement-1.pdf>

Clanfield Parish Council

<https://www.clanfieldpc.org.uk/uploads/assets/Files/Miscellaneous/Community%20Infrastructure%20Levy%20201920.pdf?u=1V1Q+>

Grayshott Parish Council

[https://drive.google.com/drive/folders/1Ad1\\_q0JLHr2stdDwGpUWWhrMvnyyW4dgb](https://drive.google.com/drive/folders/1Ad1_q0JLHr2stdDwGpUWWhrMvnyyW4dgb)

Horndean Parish Council

[http://www.horndeanpc-hants.gov.uk/\\_UserFiles/Files/CIL%20Financial%20Annual%20Report%202019-20.pdf](http://www.horndeanpc-hants.gov.uk/_UserFiles/Files/CIL%20Financial%20Annual%20Report%202019-20.pdf)

Kingsley Parish Council

<https://kingsleyparishcouncil.org/wp-content/uploads/simple-file-list/Accounts-2020/FINAL-Annual-RP-2019-2020.pdf>

Medstead Parish Council

<https://www.hugofox.com/shared/attachments.asp?f=7ed457f2%2D2a04%2D44e9%2D9812%2Daea470fad3fc%2Epdf&o=COMMUNITY%2DINFRASTRUCTURE%2DLEVY%2D%2D%2D2019%2D20%2Epdf>