

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 8 April 2024

Portfolio:	Planning and Development
Subject:	Community Infrastructure Levy Charging Schedule
Report of:	Director of Planning and Regeneration
Corporate Priorities:	Provides Housing Choices Respond to Climate Change and Protect the Environment Leisure Opportunities for Wellbeing and Fun Responsive, Inclusive and Innovative Council

Purpose:

To seek a recommendation to Full Council that it approve the Fareham Borough Council Community Infrastructure Levy (CIL) Charging Schedule.

Executive summary:

The Council has recently concluded an examination process on the Fareham Borough Council Community Infrastructure Levy Draft Charging Schedule. This involved consultation and an examination by an independent Examiner. This charging schedule is intended to replace the current adopted schedule.

The Examiner recommended that the council make two modifications to the Charging Schedule following the examination. The first a relatively minor wording change regarding older people development to assist with clarity. The second modification was that a £0 per square metre rate should be applied to the Land South of Longfield Avenue (Housing Allocation 55 - HA55).

It is recommended that the minor wording change is made to the charging schedule. However, for reasons set out in this report it is recommended that the Council does not accept the Examiner's recommended modification to apply £0 per square metre for HA55. The Council has considered the reasoning for the Examiner's recommendation and following the completion of additional evidence assessment and further consultation, it is recommended that Council approve the Charging Schedule in Appendix A with an additional separate CIL rate of £166 per square metre applicable to residential development within HA55 and the same charge for retail and retirement living as for the rest of the borough.

This report together with appendices constitute the Council's report in accordance with section 213(3B) of the Planning Act 2008 setting out how the charging schedule remedies the non-compliance specified by the Examiner under section 212A(4)(a) of the Planning Act 2008.

Approval of the Charging Schedule requires a decision of Council. The Executive Briefing Paper sets out the CIL Examiner's findings and the subsequent actions taken by the Council. It concludes with a draft Charging Schedule set out in Appendix A) which the Executive is recommended to ask Council to Approve.

Recommendation:

It is recommended that the Executive:

- (a) Notes the process and approach taken towards preparing the Charging Schedule including the further focused consultation on the proposed rate for HA55 Land South of Longfield Avenue.
- (b) That the Executive recommends to Council that the Community Infrastructure Levy Draft Charging Schedule as set out in Appendix A to this report be approved; and
- (c) That the proposed Community Infrastructure Levy Charging Schedule will be implemented with effect from 1st May 2024

Reason:

To enable the Community Infrastructure Levy Charging Schedule to be approved by Council as required by Section 213 (2) (a) of the Planning Act 2008.

Cost of proposals:

All costs associated with the work are met from existing budgets. The new CIL charging scheme will generally increase the contributions available to the Council to help fund the infrastructure delivery plan requirements of the local plan. In particular, the recommended approach would generate approximately £9.5million of CIL receipts from site HA55.

Appendices:

A: Draft Community Infrastructure Levy Charging Schedule

B: Regulation 19 Representation Statement and Statement of Modifications

C: Examiner's Final Report

D: Fareham Consultation Letter

E: Three Dragons HA55 Viability Report

F: Consultation Response from Hallam Land Management Ltd

G: Response and Consideration of Hallam Land Management Ltd Representations

H: Confidential Appendix*

* It is not in the public interest to disclose the contents of Appendix H in accordance with Paragraph 5, Schedule 12A, 1972 Local Government Act.

Background papers: None

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	08 April 2024
Subject:	Community Infrastructure Levy Charging Schedule
Briefing by:	Director of Planning and Regeneration
Portfolio:	Planning and Development

INTRODUCTION

1. The Community Infrastructure Levy (CIL) is a planning charge on many forms of new development that generally involves a net increase in building floorspace, to fund infrastructure. The ability for a local planning authority to charge the levy came into effect in April 2010, and the Council approved its first CIL Charging Schedule in 2013. The existing Fareham Borough Council Charging Schedule was approved in 2021.
2. Following the completion of the viability evidence prepared for the Local Plan examination (March 2022), which identified positive viability returns, the Council committed to reviewing the existing CIL Charging Schedule. Three Dragons were commissioned to undertake a further CIL Viability Assessment at a strategic level to assess typical development sites across the borough to inform the possible setting of new CIL rates.
3. The viability testing for the CIL Viability Assessment was designed to assess the amount of CIL that residential and non-residential development can reasonably support, including whether there are differences in viability across the borough or between different types of development that are sufficient to justify different CIL rates. The assessment considered a range of typologies¹. The result of the residential testing showed that all the typologies tested are viable, with significant headroom.
4. The headroom in viability is the margin per square metre of between the total value and the total cost. Where this is positive, it is considered that a CIL charge is viable. There is no method prescribed to setting the CIL rate, however guidance does suggest that the rate should not be at the margin of viability. In other words, the CIL rate should not generally be set the same as the total headroom available – a buffer should be incorporated.
5. It is a common approach, and one adopted by the Council in developing the Charging

¹Typologies represent typical forms of development that are likely to come forward over the plan period. They are not intended as site specific detailed viability assessments.

Schedule that a 50% buffer be applied to the headroom, to determine a suitable level for CIL. This approach led to the proposed £195 per square metre for residential development (excluding flats within the town centre and older person housing, where different rates were proposed). The results of the testing showed that in Fareham, viability headroom was so significant, that a CIL rate at that level would be, acceptable across all typologies and unlikely to put development at risk. It is that approach which has led the Council to its proposed charge.

CONSULTATION ON DRAFT CHARGING SCHEDULE

6. The Executive approved the Charging Schedule for consultation at March 2023 Executive.
7. The Council consulted on the revised charging schedule for a 6-week period from Friday 17th March to Monday 1st May 2023. Electronic and written notifications were sent to consultees and every organisation and individual on the Planning Strategy consultation database, and paper copies deposited in libraries. The consultation was also published on the Council's 'Have Your Say' and Planning Strategy website consultation pages. A total of 8 representations were received from organisations and individuals; requests were received from Miller Homes and Hallam Land Management Ltd (hereto referred to as Hallam) to take part in the Examination.
8. Following the consultation, the Council produced a Representation Statement and Statement of Modifications. This statement sets out the responses received, the Council's response to those to comments, and the proposed alterations to the Charging Schedule as a result. This was then submitted to the Examiner as part of the examination process.

EXAMINATION

9. The proposed Charging Schedule was submitted (including modifications) for examination in July 2023. The proposed Charging Schedule submitted was as follows:

Type of Development	CIL charge per m ²	
	Rest of Fareham Borough	Welborne
Residential falling within Class C3 and C4 with excepting:	£195	£0
Residential development consisting of flats in Fareham town centre as shown on figure 2 in the maps annexed to this schedule.	£0	£0
Development comprising retirement living (sheltered) on greenfield sites.	£28	£0
All retail falling within Class E(a) excepting:	£80	£0
Comparison retail falling within Class E(a) in the centres as shown on figure 3 in the maps annexed to this schedule.	£0	£0
Standard Charge (applies to all development not separately defined above, for example: offices, warehouses and leisure and educational facilities extra-	£0	£0

care/assisted housing on greenfield and brownfield sites, sheltered housing on brownfield sites and care homes.)		
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10. The examination itself was held in the form of an in-person hearing on 6th September 2023. The council was represented by planning strategy officers, the Council's solicitor and Three Dragons, the Council's viability consultants. The hearing was also attended by representatives of Miller Homes and Hallam.
11. Unlike the Local Plan process where the Planning Inspectorate allocates a government appointed Inspector to examine the Plan, the Community Infrastructure Levy Regulations require an independent Examiner to be appointed by the Council. The Council appointed Intelligent Plans and Examinations to undertake the examination, with the same Examiner appointed who undertook the last Charging Schedule Review in 2021.
12. Consistent with the Local Plan, the Charging Schedule was accompanied by a thorough evidence base in the form of a CIL Viability Assessment. This demonstrated the viability of sites across the Borough and the positive margins in development that would support the increase in the CIL rate. This approach was consistent with and built on the viability work that was found sound at the Local Plan examination and as advocated in national planning guidance. The Council was confident that its position was backed by relevant published evidence submitted to the examination.
13. The existing CIL Charging Schedule applies to all residential development within the borough. On that basis, the site HA55 is liable for the full existing CIL charge. As of March 2024, this is now £179.94 per square metre. The promoter/applicant for the majority of the HA55 site (Hallam) responded to the consultation raising a number of points regarding the increasing burden of section 106 costs, notably in the form of the education contributions which are being sought by Hampshire County Council. They concluded in their submission that the site HA55 was similar to Welborne and so warranted a zero charge.
14. However, the response was not supported by a viability assessment and associated evidence base, but instead centred on the section 106 requests made through consultation responses to the ongoing planning application, importantly though, not agreed by any parties through the planning application process stage.
15. Following the submission of the charging schedule and evidence base to the Examiner, the Council asked whether additional information or evidence would be required in the form of written statements, given that up to that point only the Council had submitted a viability position. The Examiner informed the Council that no further evidence was required.

EXAMINER'S FINAL REPORT

16. The Council received the Examiner's Final Report on 26th October 2023. The Examiner recommended the schedule be approved subject to two modifications.
17. The first recommended modification relates to changes made by the Council through the modifications process. The Examiner recommended a slight addition to provide improved clarity to the 'Standard Charge' by inserting "on all sites" after "care homes"

in the final sentence (see appendix A for the full wording). It is recommended that the Council accepts this change.

18. The second recommended modification is to change the rate that would apply to the site HA55: Land South of Longfield Avenue from £195 per square metre to £0 per square metre. The rest of this Executive Briefing Paper summarises the steps taken since the receipt of Examiner's Report and proposes a revised draft Charging Schedule to be recommended to Council for approval.

LAND SOUTH OF LONGFIELD AVENUE (HA55) RECOMMENDATION

19. The Examiner in paragraph 40 of his Final Report made the following recommendation in regard to site HA55 Land South of Longfield Avenue:

"It is noted that HA55 is the subject of a live planning application which is proposing a policy compliant level of affordable housing, alongside a CIL liability at the current rate. However, s106 is still being negotiated. At the hearing, the vulnerability of affordable housing policy in the context of the s106 negotiations was discussed. There was agreement that if viability becomes an issue, the casualty was likely to be affordable housing. Therefore, even if the application is affordable housing policy compliant, given a CIL charge would be non-negotiable there is a danger that policy requirements, particularly affordable housing, could be compromised in circumstances where the developer is able to demonstrate that the delivery of the site is threatened by the level of the s106 charges. On the other hand, adopting a zero CIL for HA55, as has been done for the other large strategic site in the Borough at Welborne, should considerably strengthen the Council's hand in the s106 negotiations and could go some way to eliminating the danger to the delivery of HA55. Three Dragons were mindful of this issue when alerting the Council to the need to consider whether it would be appropriate to require CIL to be paid on strategic sites. I consider that if CIL is charged on the development of HA55, there is a material danger to the delivery of HA55 in a form that fully meets the Council's policy requirements. If no CIL is charged on HA55, the Council would be in a stronger position to negotiate a s106 agreement based on the full range of policy requirements that apply to HA55. It is therefore recommended that the draft Charging Schedule be amended to apply a zero charge to HA55."

20. The Council considers that, with no site-specific viability for HA55 considered as part of the examination process, applying a £0 charge to the allocation is not justified as a response to the Examiner's concerns. The evidence did not identify or test any alternative charge nor consider the need to apply a separate charge to HA55 given the positive margins identified through the viability work. No additional evidence or justification was presented by the site promoter at the examination hearing other than a reiteration of their earlier written comments.
21. The Examiner suggests that the recommendation gives the Council a stronger negotiating position with regards to the Section 106 and affordable housing provision. Section 106 and CIL are not interchangeable. CIL is a top sliced levy that contributes to wider infrastructure across the borough. It is collected and spent by the Borough Council. Section 106 contributions are site specific requirements to mitigate the direct impact of the development on the immediate local area. The majority of Section 106 contributions are for highways and education, services provided by the County Council. They are not interchangeable as they contribute towards different services provided by

different authorities. It is also recognised that the current planning application been progressed to date by the site promoter, with the assumption of full CIL liability under the current charging schedule, and a policy compliant 40% affordable housing component.

FURTHER CONSULTATION

22. The Council acknowledges that the Examiner's non-compliance is the recommended modification related to deliverability (specifically viability) and not any other drafting requirement. He states in paragraph 39 of his report that *"there is substantial uncertainty about the quantum of the anticipated section 106 charges that will need to be imposed if the site specific requirements set out in the adopted Local Plan are to be met in full"*. However, he considered the assumptions regarding market values, benchmark land values and development costs and concluded in paragraph 43 of his report that he considered the viability assessment *"to be robust"*.
23. On that basis, officers decided to test a HA55 policy compliant typology having regard for updated Section 106 costs. The Council commissioned a further viability assessment for HA55 to consider what an appropriate, evidence based, CIL charge could be, based on a fuller assessment of section 106 requirements.
24. Three Dragons were asked to prepare a specific viability review of HA55 for 1,250 dwellings, based on the underlying values and costs found sound through the Local Plan and CIL examinations². The HA55 viability review included further work undertaken by the Council on the site-specific characteristics and planning mitigation set out in both Housing Allocation Policy HA55, and the planning application process, to address the CIL Examiner's concerns around the full site specific requirements that had not been fully considered within the generic typology testing used for the CIL rate setting recommendations.
25. Whilst the Section 106 negotiations for the application are ongoing and there remains uncertainty around the level of some of the potential mitigation required (with discussions ongoing with Hampshire County Council and other statutory consultees) the information on likely Section 106 costs specific to HA55 are based on best available information drawn from consultation responses and informed estimates based on examples and methodologies from elsewhere. Appendix A of the Three Dragons HA55 Viability Report (Appendix E of this report) specified the specific costs used in the assessment as well as the metric used in their calculation. These are different to the generic allowances used in the CIL viability evidence, whereby a buffer is utilised to account for circumstances whereby site specific costs are higher than those identified in the generic testing.
26. By way of illustration, paragraph 39 of the Examiner's report states *"... For example, the*

² The Examiner comments - the approach used by Three Dragons is one that is commonly used in CIL viability work; -the approach used in the VA is logical given the nature of the area and the anticipated forms of development; - much of the data and the assumptions relating to residential values took advantage of viability evidence that was presented to the relatively recent Local Plan examination. No convincing contrary evidence has been presented to this examination. The Examiner concludes in paragraph 27 that: *"On this basis, the evidence which has been used to inform the Charging Schedule is robust, proportionate, and appropriate."*

£5,500 per dwelling allowance used in the VA for what is described as “education and transport etc” does not reflect the education mitigation package being sought by Hampshire County Council. The developer of HA55 puts the education figure at £15,000”. The HA55 specific figure used in the further viability assessment is equivalent to £22,291 per dwelling (£17,076 for education, £5,215 for transport), which clearly accounts for the discrepancy in costs identified by the applicant.

27. The further viability assessment was based on the dwelling numbers and land take set out in the Housing Allocation Policy HA55. This was for 1,250 dwellings. A sensitivity assessment was also undertaken to reflect the planning application (1,200 dwellings), as well as another scenario with higher transport costs. The results for the planning application area sensitivity test are very similar, due to the majority of assumptions being proportionate (to those used for HA55 test) to the number of dwellings.
28. This new work therefore draws together the previously accepted viability values and costs with a HA55 policy compliance assessment of the site-specific Section 106 mitigation measures sought by the CIL Examiner. This found that the examined CIL rate of £195 square metre would continue to be viable, but with a lower headroom and thus reduced buffer. To maintain the 50% buffer it recommended that the Council should consider a HA55 rate of £166 per square metre.
29. As set out in section 213 of the Planning Act 2008, it is for the Council to be satisfied that this modification is sufficient and necessary to remedy the non-compliance specified by the Examiner. However, as this approach is not one that is covered by Planning Guidance, there is no prescribed process for conducting the consultation or how the responses are considered and there is no further requirement for examination.
30. A six-week consultation period was undertaken between 8th December 2023 and 18th January 2024 on the revised residential charge of £166 per square metre for allocation HA55. A consultation letter (appendix D) setting out the approach and what was being consulted upon and the Three Dragons HA55 Viability Report (appendix E) were sent to the 8 previous respondents, published on the CIL examination library website, and paper copies put in libraries. Hallam were invited to meet with officers during the consultation period to discuss the assumptions.
31. A request was received from Hallam on 15th December requesting an extension to the consultation period, given the festive holiday period. This correspondence also included a decline to the offer for a meeting, Hallam informed the Council that it would submit duly made comments by the deadline, after which a discussion could take place.
32. The Council agreed to the extension, and the consultation period was extended by one week to the 25th of January. Subsequently a further request was received from the consultants acting on behalf of Hallam for additional detailed modelling information concerning cashflows and build costs. This was provided to Hallam, and agreement was made to extend the deadline until 31 January to allow time for their consideration of the information.

HALLAM LAND MANAGEMENT LIMITED CONSULTATION RESPONSE

33. Hallam submitted a response to the consultation on the 31st of January (copy attached at Appendix F). The submission itself included two commissioned studies that provided a critique of the Three Dragons viability assessment for Longfield Avenue:
- Assessment of Open market Revenues – MCC Consultancy.
 - Viability Report HA55 Land South of Longfield Avenue – Turner Morum LLP.
34. Hallam's main assertion is that the assessment does not provide the credible detailed viability evidence to enable the Council to consider the implications for CIL on HA55. It states that the assessment does not interrogate the HA55 proposals in any detail; it fails to recognise that HA55 is not a traditional housing development; it does not take account of the specifics of the market area, and it relies on out-of-date information on costs. They conclude:
- The assessment significantly over states revenues (for all forms of housing);
 - It makes an insufficient allowance for developer profit given the risk involved in this instance.
 - It has insufficient build and infrastructure costs.
 - It has underestimated the whole site benchmark land value.
 - It has adopted a flawed approach to calculating the scheme finance costs.
35. The response includes references to a detailed cost plan produced by Brookbanks and transport work undertaken by Markides Associates, but those reports were not provided as part of the submission. Hallam maintain that as per the Examiner's recommendation, HA55 should remain zero rated.
36. The Council, with input from Three Dragons, have undertaken a review of the submission made by Hallam and responded to the points made (copy attached at Appendix G). The Council is of the opinion that the basis of Hallam's objection is primarily on matters already accepted as sound by the CIL Examiner. In particular, Hallam's response:
- Does not question the approach taken by the Council in continuing to seek a new CIL on HA55.
 - Questions the values and costs already accepted by the CIL Examiner.
 - Does not provide significant supporting evidence for alternative costs for HA55 specific Section 106 planning mitigation that is included within the November 2023 viability review that informs the new HA55 recommended CIL rate.
 - Provides no alternative viability assessment.
37. The guidance on CIL (PPG CIL para 20) is clear that a charging authority should use an area based approach, involving a broad test of viability across the area, as the evidence base to underpin their charge. A sample of an appropriate range of types of sites across its area should be used to demonstrate the potential effects of the rates proposed, balanced against the need to avoid excessive detail. This is the broad approach taken by the Council. PPG also allows for a different rate to be set for strategic sites (para 26). The Council has taken this approach for Welborne which is clearly identified as a strategic site given its critical importance in delivering the strategic

priorities of the plan. Whilst the Council considers that it has tested its strategic sites (Welborne) and an appropriate range (that are representative of plan allocations and future development), it is recognised that in order to address the Examiner's concerns that the range of typologies should be widened to specifically consider HA55 as a separate typology. However, it is not a site-specific viability assessment. This is highlighted by the absence of detailed cost information from Hallam which would be required if such an assessment were to be made. Instead, the response provides a critique of inputs already agreed as acceptable by the Examiner. The further viability assessment is therefore considered robust and appropriate for a CIL charge setting process.

CONCLUSION ON FURTHER CONSULTATION

38. The Examiner was clear in his judgement that his concerns regarding viability related to the 'unknown' policy costs, and not the methodology of the viability assessment. He states in paragraph 39 *"The Council's points are noted, but there is substantial uncertainty about the quantum of the anticipated s106 charges that will need to be imposed if the site-specific requirements set out in the adopted Local Plan are to be met in full. Based on current knowledge, it is likely that some of the broad cost assumptions used by Three Dragons to test the large green field site typology do not adequately reflect what the Council will require through the s106 mechanism"*.
39. The Council has therefore undertaken an appropriate level of further analysis to provide clarity on those points to ensure a robust CIL charge setting process. It is therefore proposed that in relation to the Examiner's second recommendation in relation to site HA55: Land South of Longfield Avenue, that the Council does not accept the Examiner's recommended modification but approve the schedule with a £166 per square metre charge on HA55 for residential uses [and the same rates for retail and retirement living as for the rest of the borough].
40. Considering that conclusion, officers did not feel it appropriate to meet with Hallam, as any further discussion regarding costs and values would be more relevant to the planning application process where any discussion regarding viability will be supported by a detailed assessment provided by the applicant, including all costs including land. Officers are also aware that viability has never been highlighted to the Council as a concern ahead of the CIL review process with the site CIL liable at existing rates. It is also noted that as of March 2024, the existing indexed rate has now increased to approximately £180 per square metre.

OPTIONS FOR CONSIDERATION

41. Following receipt of the Examiner's report, the Council undertook further viability work and consultation as set out in the report above. There are five potential options to consider at this stage:
 - Approve the draft Charging Schedule with the Examiner's recommendation for a £0 per square metre CIL rate to apply to HA55;
 - Not to approve the draft Charging Schedule and to withdraw it, thus keeping the current charging schedule, which would have a current CIL of £180 per square

metre³ (approx.) applied to HA55;

- Approve the draft charging schedule with a new revised CIL rate for HA55 based on addressing the Examiner's concerns (£166 per square metre for residential and the same rates for retail and retirement living as for the rest of the borough, as discussed below);
 - Adopt the Charging Schedule as submitted for examination (£195 per square metre for residential at HA55); or
 - Adopt the charging schedule as per the recommendations of the Examiner and then proceed with an immediate review for HA55.
42. Approving a £0 charge for residential development at HA55 would have a significant and detrimental impact on the overall infrastructure funding gap for the borough. It represents a potential loss of CIL receipts of approximately £9.5 million based on the existing adopted (2023) rate even though the Council's viability work demonstrates the site is viable with the proposed charge. It is not recommended that this option is pursued.
43. If the Council chose to stop the current CIL review process and continue with the existing CIL Charging Schedule and rates, it would mean that other charges such as the increase in residential rates across the borough and those that would apply to the town centre would not be amended and could potentially harm delivery prospects in the future. It is not recommended that this option is pursued.
44. If the Council chose to adopt the Charging Schedule as submitted, ignoring the Examiners recommendations, it would not be considered legally sound or in accordance with the Planning Act 2008, the CIL Regulations (2010) or the Planning Practice Guidance as the issue of non-compliance (identified by the examiner) would not have been dealt with by the council. Of all the options, this option presents the greatest procedural risk as the council will have made no attempt to satisfy the requirements of the Planning 2008 Act. It is not recommended that this option is pursued.
45. If the Council chose to undertake an immediate review of the rate for HA55 following approval of the Charging Schedule as per the Examiner's recommendation, an entirely new examination process would be needed, including evidence gathering, periods of consultation, submission, and a new examination (possibly including a hearing). This process would be time and resource intensive, but the Council considers that an appropriate CIL rate can be satisfactorily approved through this current CIL review process. It is not recommended that this option is pursued.
46. Based on the viability evidence the recommended approach is a new residential CIL rate for HA55, which considers and addresses the non-compliance specified by the Examiner but still balances infrastructure funding with delivery of new housing. The Council has undertaken further work to demonstrate that this is achievable and undertaken further consultation as set out above.
47. Section 213 of the Planning Act 2008 states:

³ CIL rates are indexed on a standard basis each year, based on changes in build costs

“(1A) A charging authority may approve a charging schedule only if—

(a) the Examiner makes recommendations under section 212A(4) or (5), and

(b) the charging authority has had regard to those recommendations and the Examiner's reasons for them.”

(1B) If the Examiner makes recommendations under section 212A(4), the charging authority may approve the charging schedule only if it does so with modifications that are sufficient and necessary to remedy the non-compliance specified under section 212A(4)(a) (although those modifications need not be the ones recommended under section 212A(4)(b))”

48. Accordingly, the Council has the power to approve a charging schedule with modifications different to those recommended by the Examiner, provided they are “*sufficient and necessary to remedy the non-compliance specified*” by the Examiner. This is not the usual approach that most authorities would take. However, providing the modification is considered by the Council (acting reasonably) to be sufficient and necessary to remedy the non-compliance i.e. the issue of viability concerns at HA55, then the Council can approve the charging schedule.

RECOMMENDED PROPOSED CHARGING SCHEDULE RATES

49. The draft Charging Schedule at Appendix A of this report is presented to Executive for recommendation to Council for approval.
50. The schedule now proposes three distinct charging zones for which the different charges apply in those areas. They are Welborne, HA55/Longfield Avenue and Rest of Borough. It includes modifications proposed through the examination process and incorporates the Examiner's recommendation in relation to care homes.
51. This report together with appendices constitutes the Council's report in accordance with section 213(3B) of the Planning Act 2008 setting out how the charging schedule remedies the non-compliance specified by the Examiner under section 212A(4)(a) of the Planning Act 2008, and as such following the consultation process, officers are satisfied that the proposed modification (the rate of £166 for HA55) is *sufficient and necessary to remedy the non-compliance specified*” by the Examiner.
52. Section 213 (2) of the Planning Act 2008 requires a charging authority to approve a charging schedule at a meeting of the authority. The Executive is invited to recommend that Council approve the Community Infrastructure Levy Draft Charging Schedule, attached at Appendix A.

ENVIRONMENTAL CONSIDERATIONS/CARBON IMPACT ASSESSMENT

53. The subject matter of this report is not anticipated to have an impact on the Council's carbon footprint, nor is it expected to have a detrimental or beneficial impact to the wider environment.

Enquiries:

For further information on this report please contact Lee Smith Head of Planning
(1329) 824427

Community Infrastructure Levy Charging Schedule

Purpose

This schedule sets out the Community Infrastructure Levy charging rates set by Fareham Borough Council.

Date of Approval and Effective Date

This Charging Schedule was approved by Fareham Borough Council on 9 April 2024 and shall take effect on 1 May 2024.

Charging Rates

Type of Development ¹	CIL charge per sq.m		
	Rest of Fareham Borough	HA55 Land South of Longfield Avenue ²	Welborne ³
Residential falling within Class C3 and C4 excepting:	£195	£166	£0
Residential development consisting of flats in Fareham town centre as shown on figure 2 in the maps annexed to this schedule.	£0	£0	£0
Development comprising retirement living (sheltered ⁴) on greenfield sites.	£28	£28	£0
All retail falling within Class E (a) excepting:	£80	£80	£0
Comparison retail ⁵ falling within Class E(a) in the centres as shown on figure 3 in the maps annexed to this schedule.	£0	£0	£0
Standard Charge (applies to all development not separately defined above, for example: offices, warehouses and leisure and educational facilities extra-care/assisted housing on greenfield and brownfield sites, sheltered housing on brownfield sites and care homes on all sites.)	£0	£0	£0

¹ References above to Classes are to the Use Classes as set out in the Town and Country Planning (Use Classes) Order 1987 (as amended).

² For the purposes of this Schedule, the area defined as HA55 Land South of Longfield Avenue is that as set out by the Fareham Borough Local Plan 2037. See Figure 1

³ For the purposes of this Schedule, the area defined as Welborne is that as set out by Welborne Plan, Part 3 of the Fareham Borough Local Plan. See Figure 1

⁴ Sheltered housing is self-contained housing, normally developed as flats or other small units, with the provision of facilities not associated with independent accommodation (main entrance, warden, residents lounge, emergency alarm service).

⁵ Floorspace used to store or sell retail items that tend to be purchased at infrequent intervals, whereby purchasers will 'compare' similar products on the basis of price and quality before making a purchase. Includes, for example, clothing, household goods, leisure goods and personal goods. Sometimes termed durable or non-food goods. See Figure 3.

Indexation

The Community Infrastructure Levy Regulations apply a form of indexation to the relevant rate in the charging schedule. National All-in Tender Price Index published from time to time by the Building Cost Information Service (BCIS) of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for 1st November of the preceding year. In the event that the National All-in Tender Price Index ceases to be published, the index to use will be The Retail Prices Index.

Calculating the Chargeable amount of CIL

CIL is charged on all new developments which create more than 100m² of floorspace and on those developments, which create 1 or more new dwellings, even where the floorspace is less than 100m². The chargeable amount of CIL is calculated on the gross internal area of the net increase in floor area. The amount to be charged for individual developments will be calculated in accordance with Schedule 1 of the Community Infrastructure Levy Regulations 2010, as amended.

Figure 1: Welborne and Rest of Borough

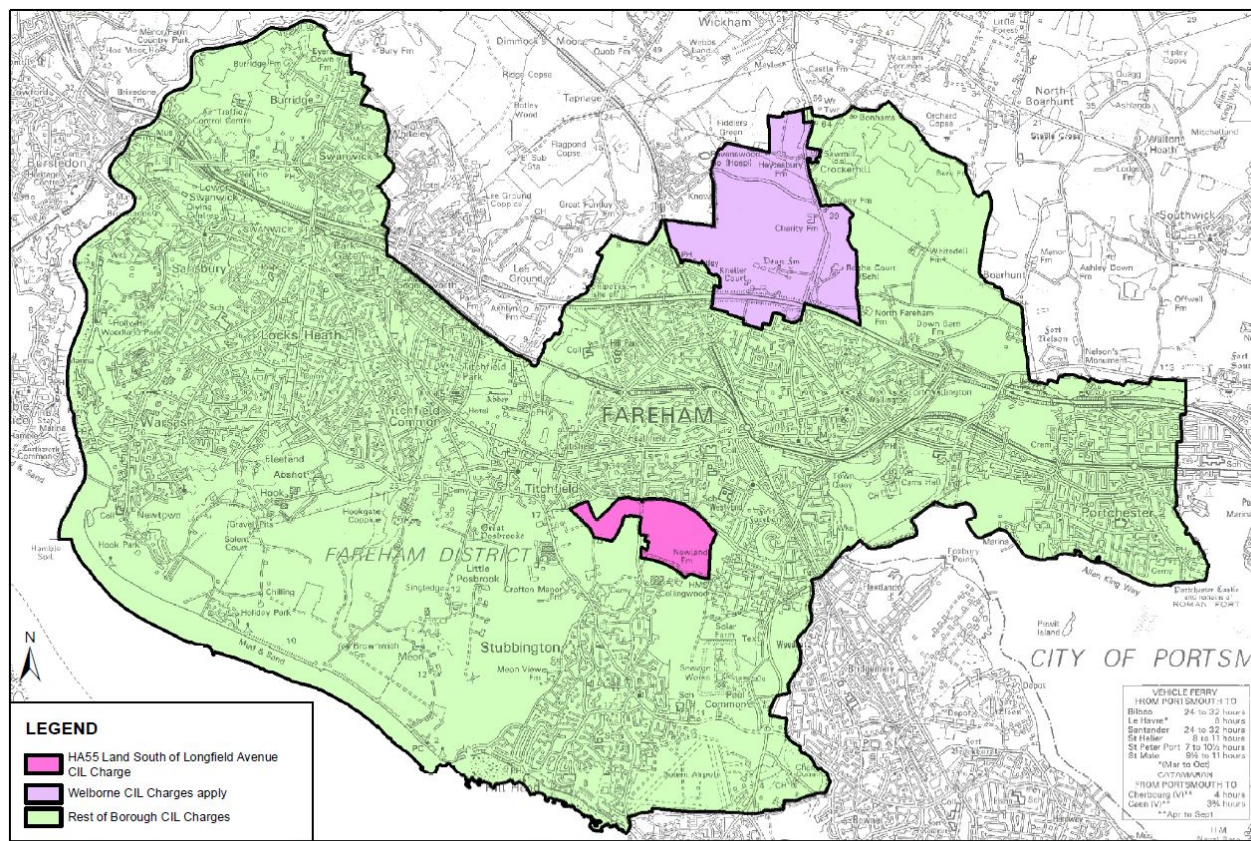
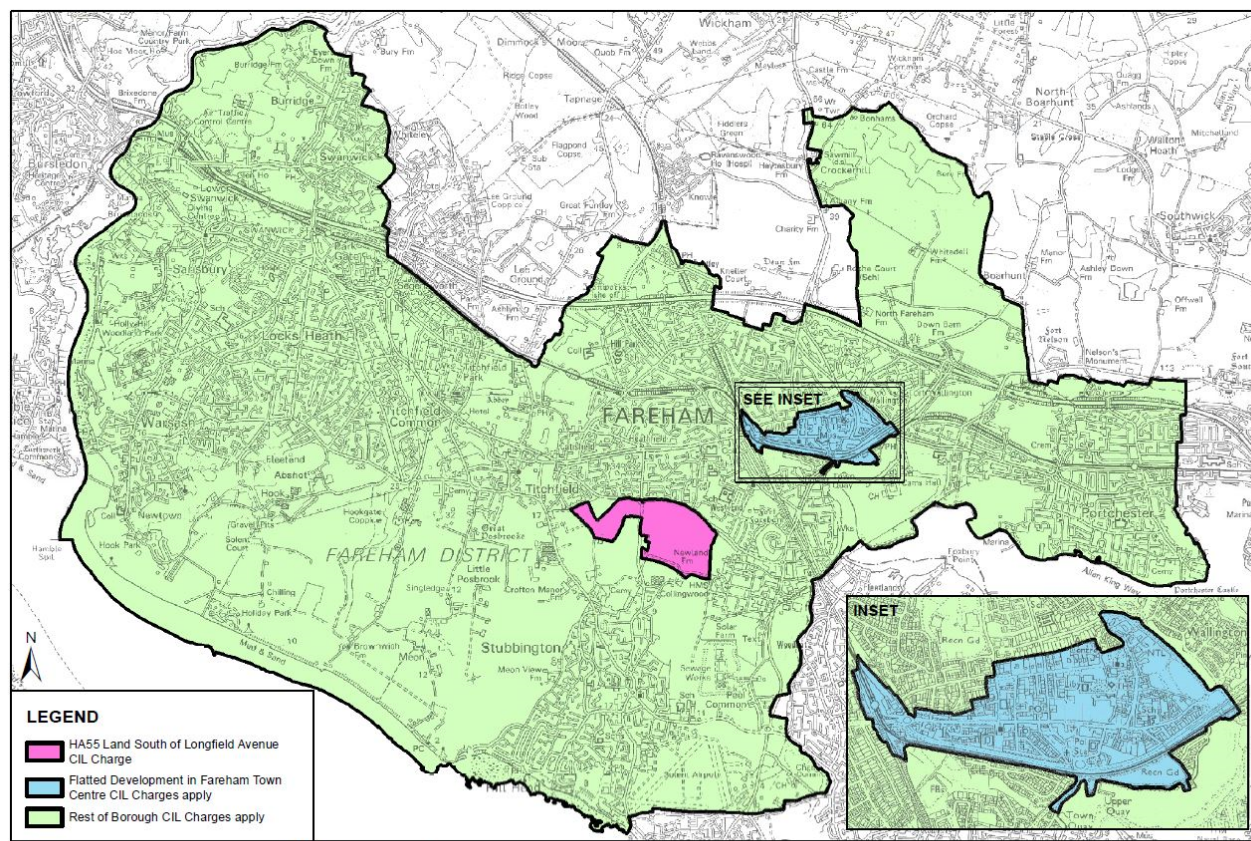


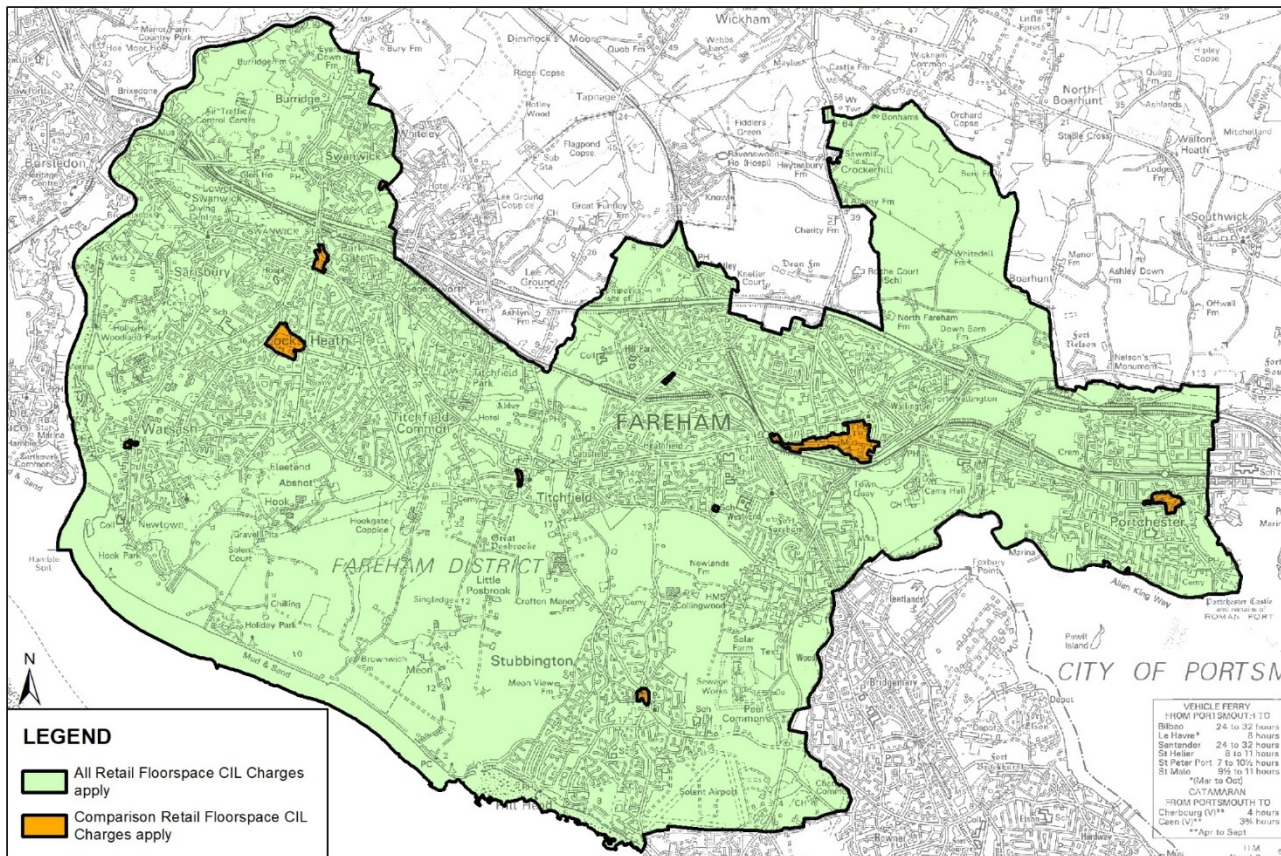
Figure 2: Fareham Town Centre Flatted Development Area



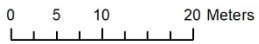
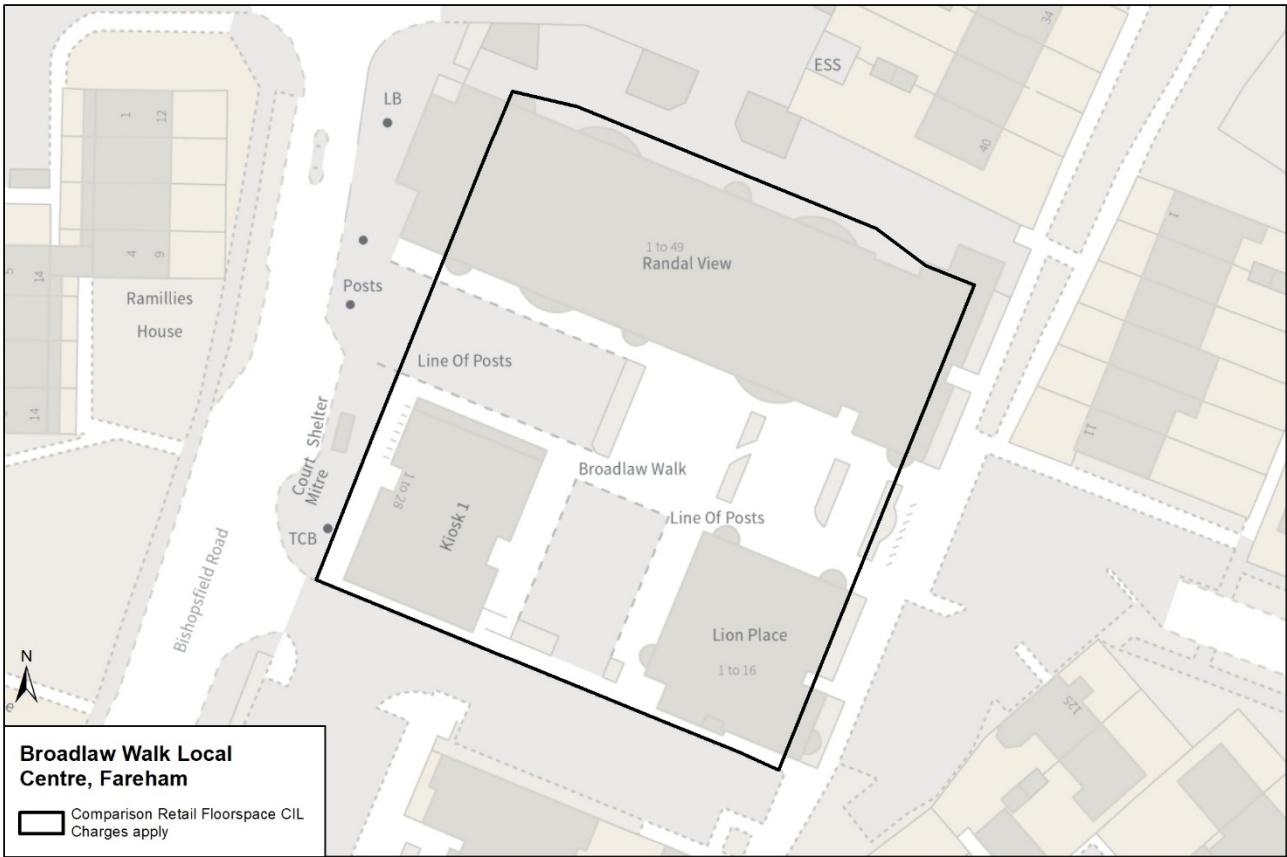
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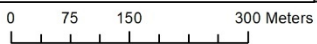
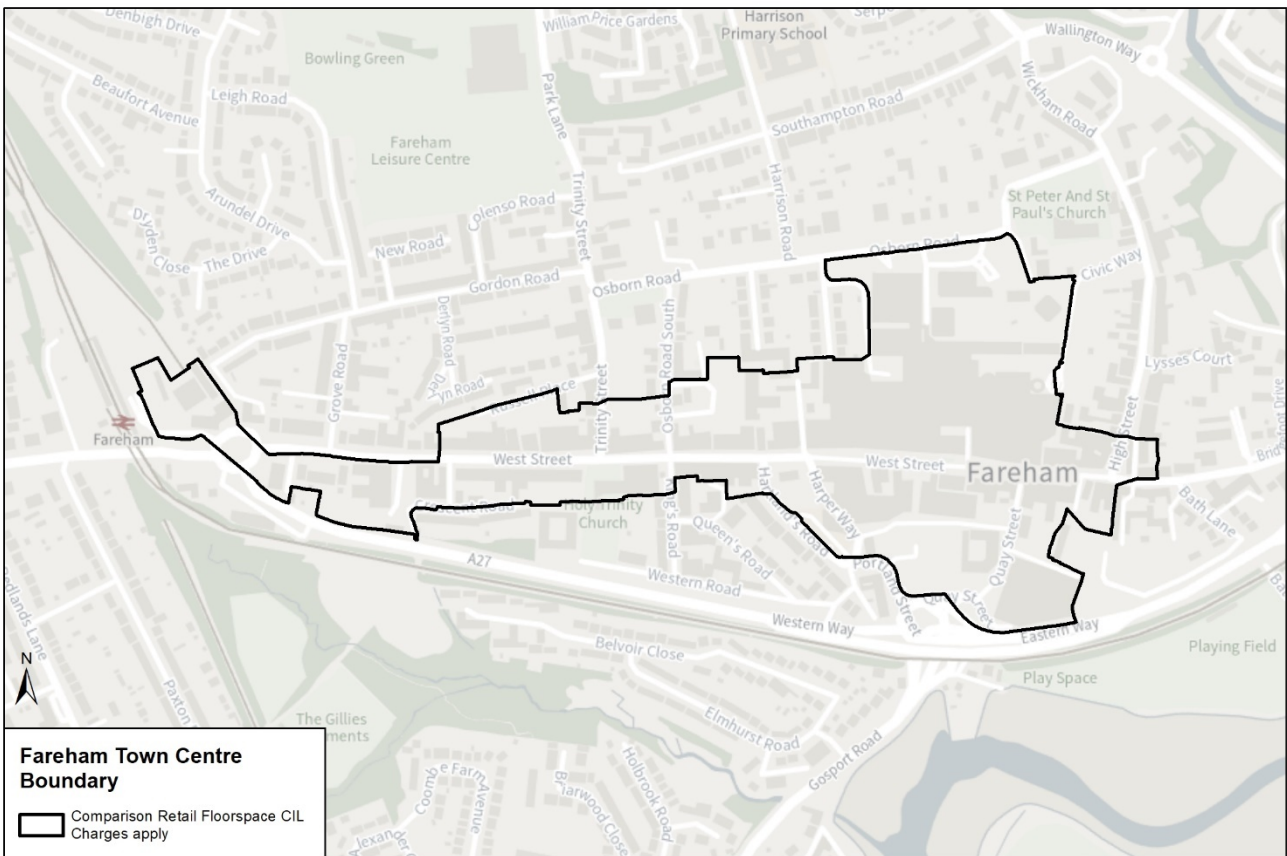
Figure 3: Comparison Retail Charging Zones



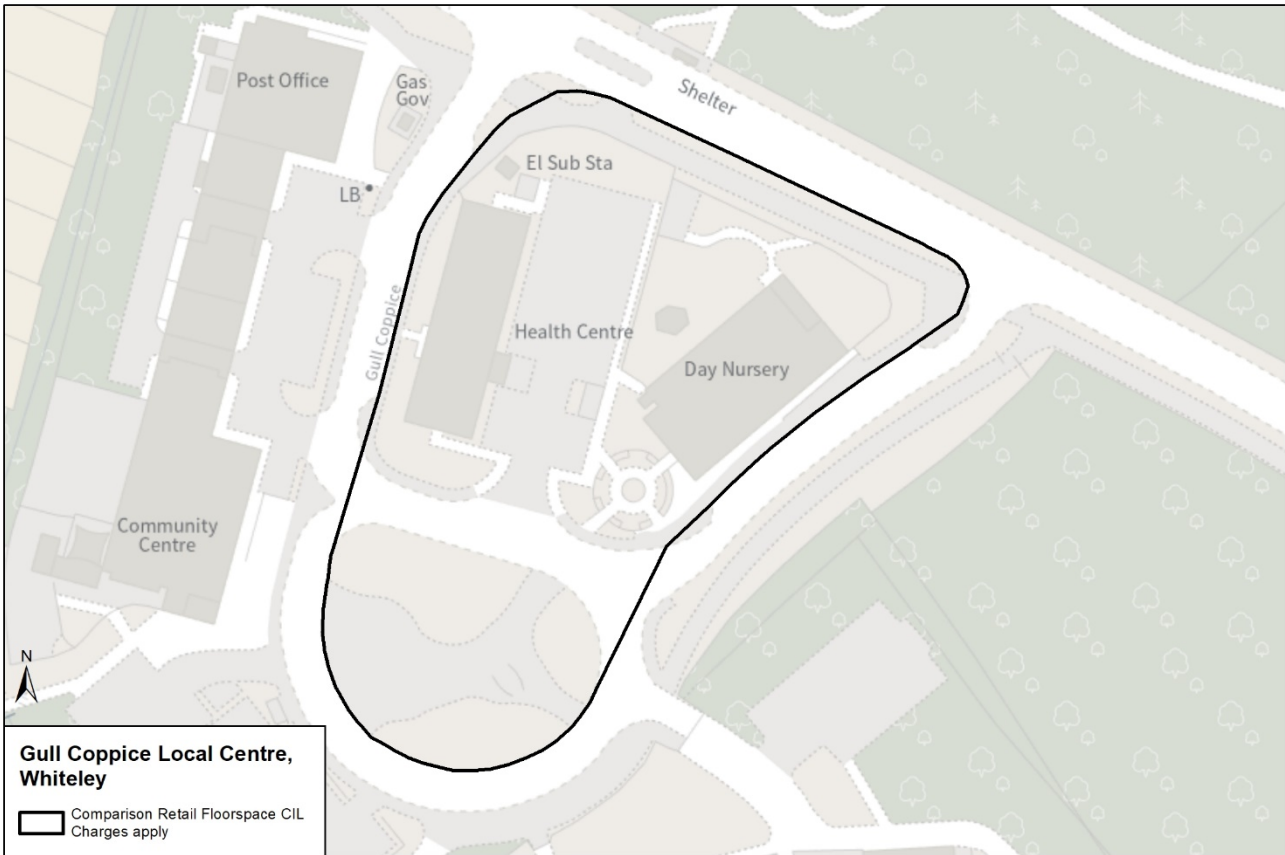
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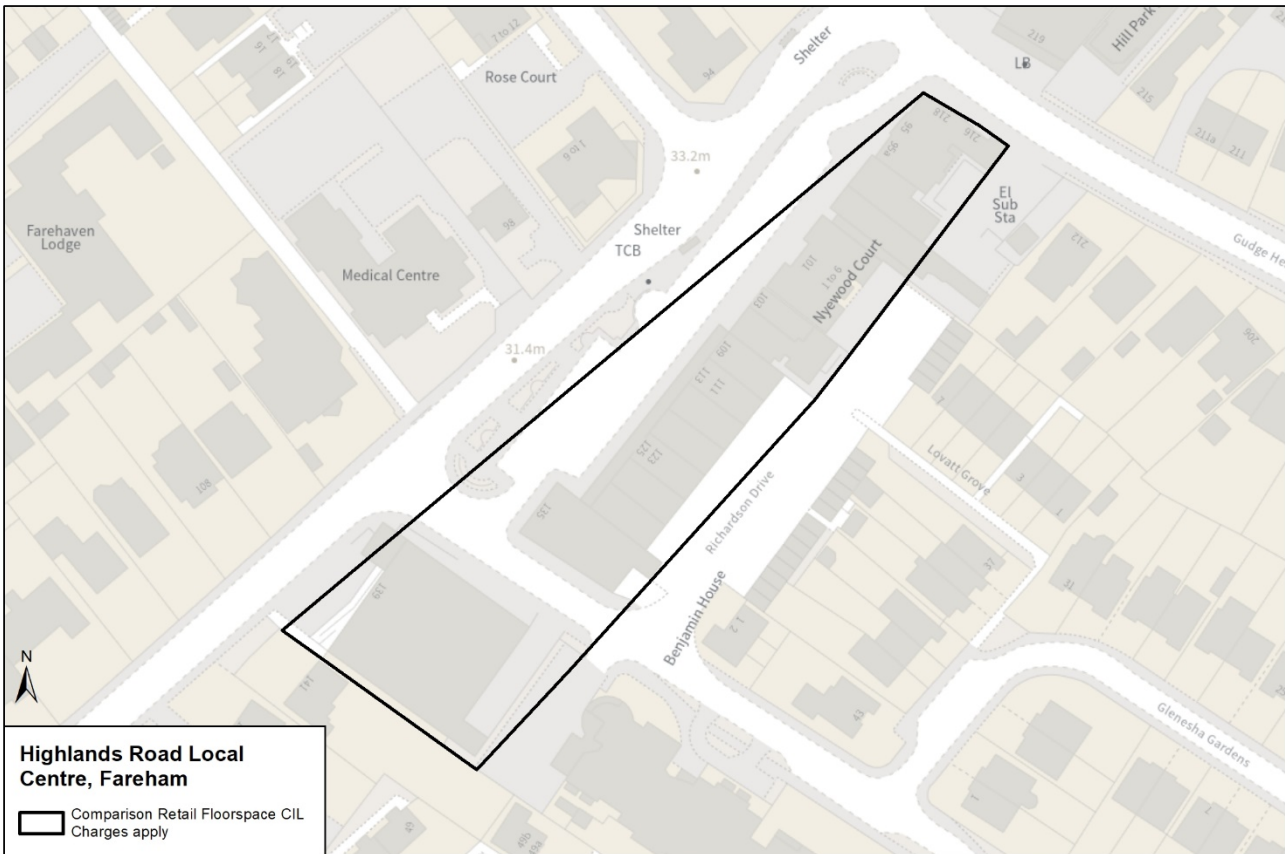
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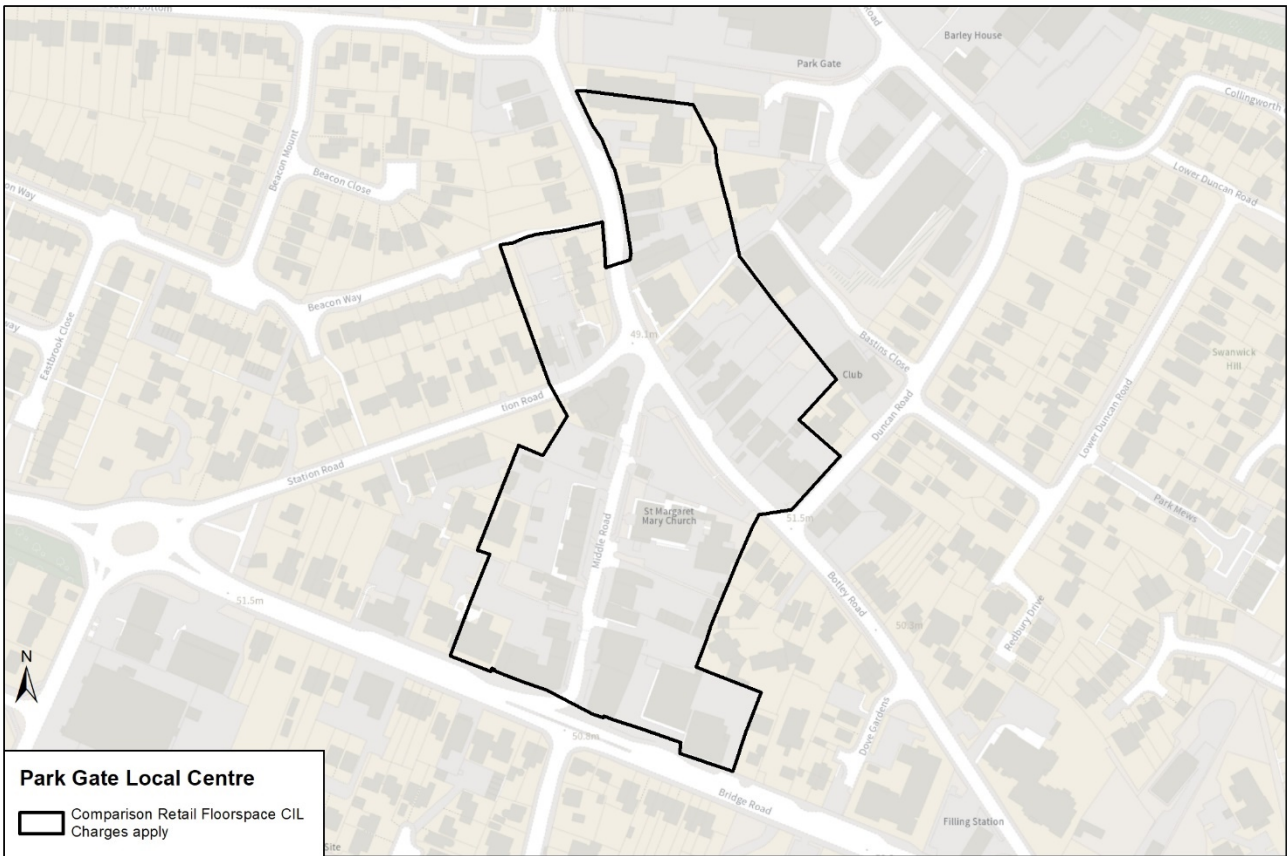
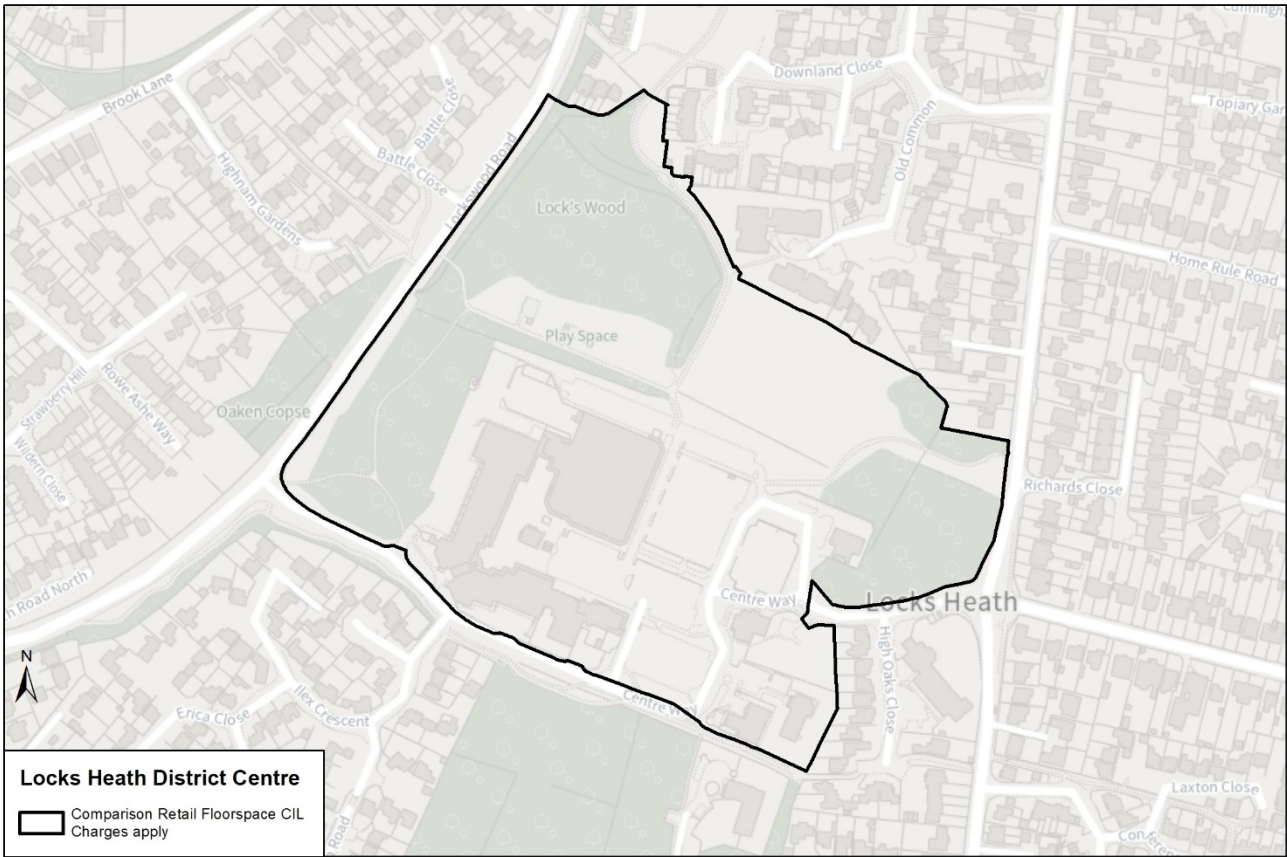
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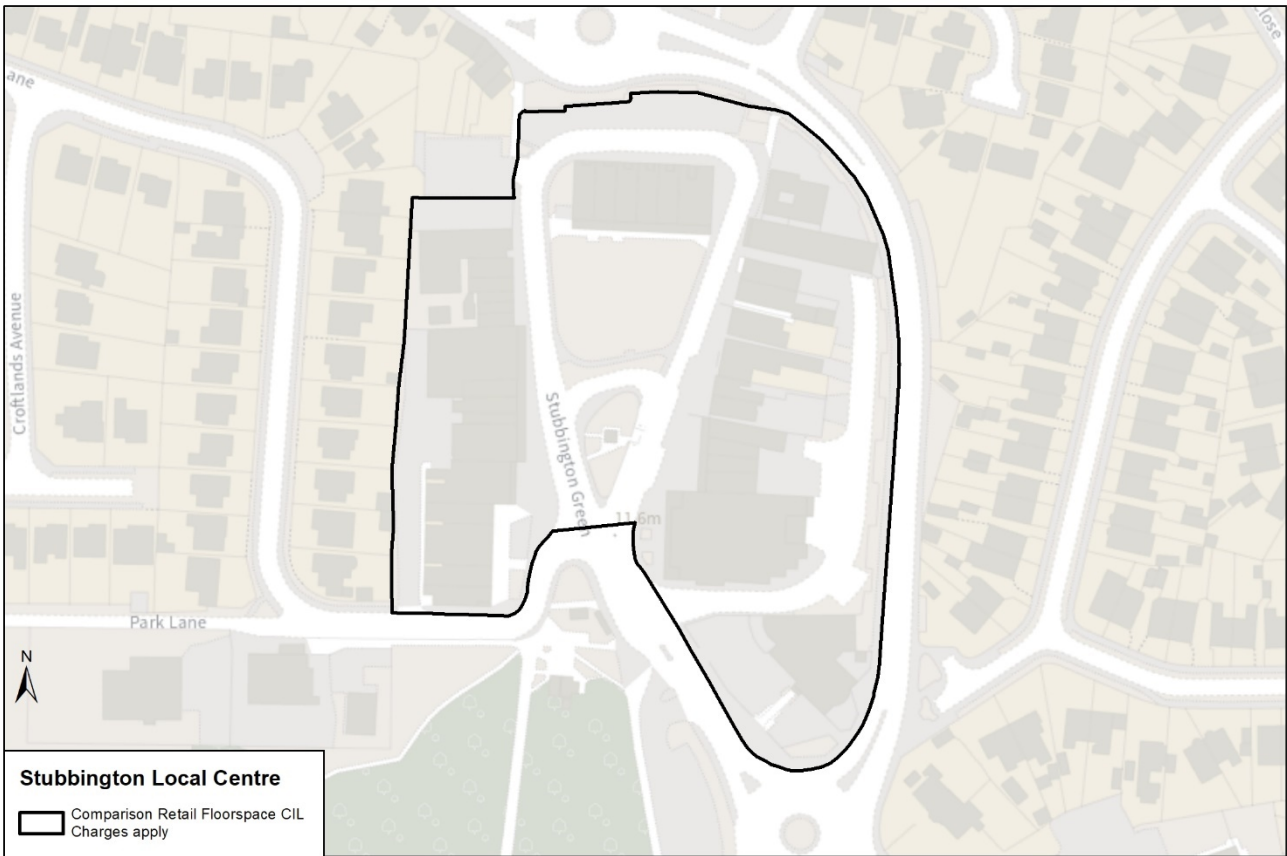
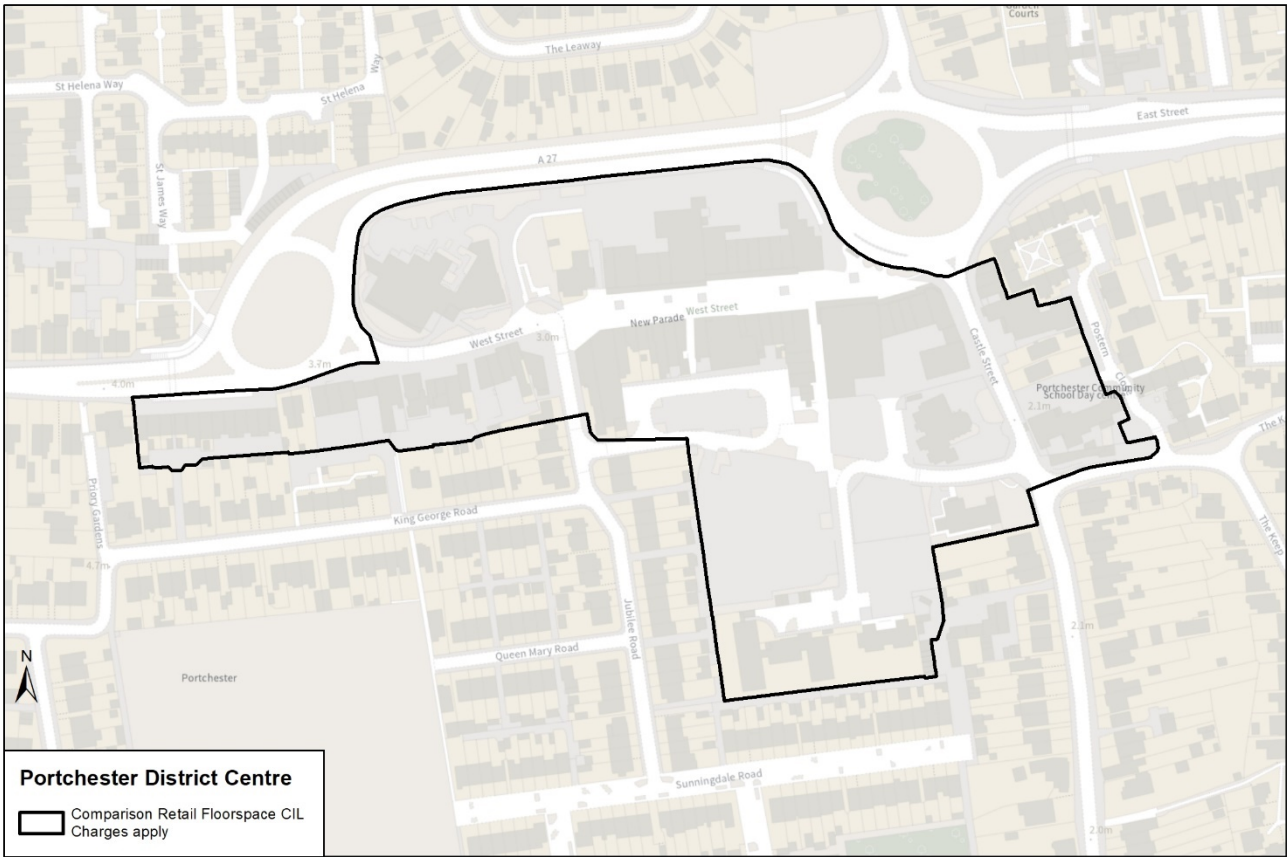


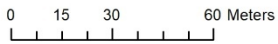
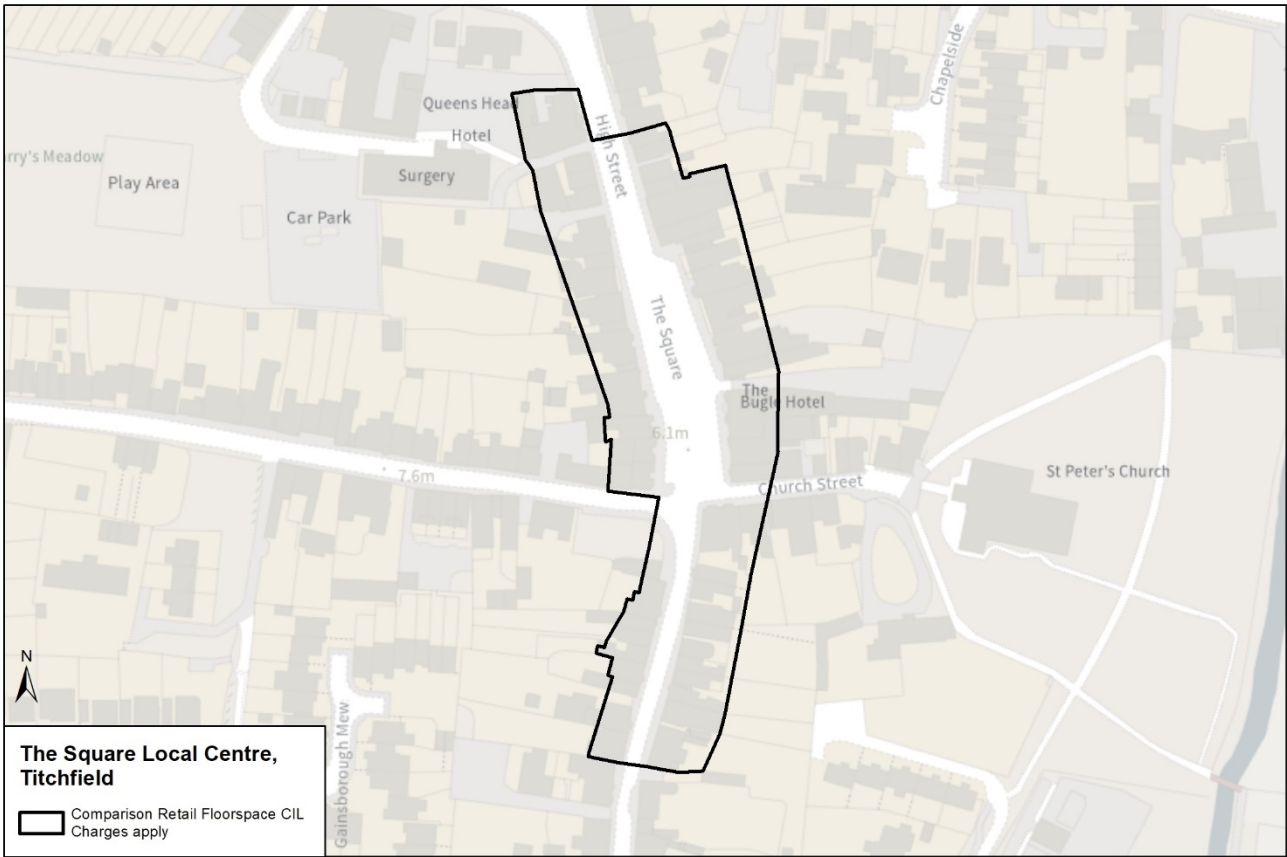
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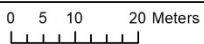
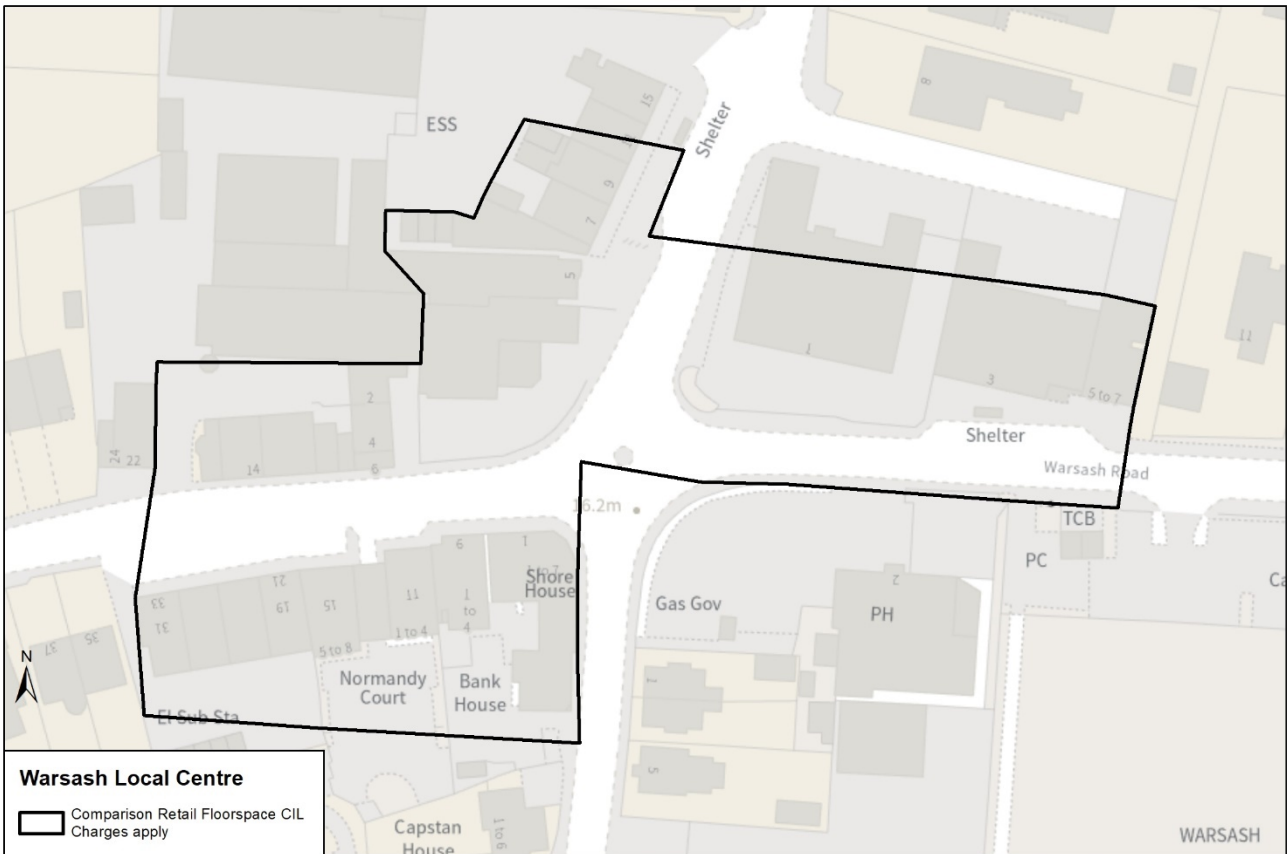
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