

# FAREHAM

## BOROUGH COUNCIL

Director of Planning & Regeneration  
Richard Jolley

By email only

**Contact:** Richard Jolley

**Ext.:** 4388

**Date:** 8 December 2023

Dear Sir/Madam

**Fareham Borough Council Community Infrastructure Levy – Consultation on the proposed modification to the Draft Charging Schedule in respect of site HA55 (Land South of Longfield Avenue) allocated in the adopted Local Plan (“HA55”)**

I am writing to you as you requested to be kept informed of progress on the draft CIL Charging Schedule and who previously responded to the formal consultation.

As you may be aware, the Council received the Examiner’s Report on the 26<sup>th</sup> October 2023. The report can be found here:

[http://www.fareham.gov.uk/pdf/planning/local\\_plan/FINAL\\_Examiners\\_Report\\_Oct23.pdf](http://www.fareham.gov.uk/pdf/planning/local_plan/FINAL_Examiners_Report_Oct23.pdf)

The Examiner recommended that with two recommended modifications the draft Charging Schedule be approved. This letter relates to the Council’s proposed response to the Examiner’s recommendation (EM2) that the draft Charging Schedule be amended to apply a zero charge to HA55. It sets out the Council’s provisional view as to how to deal with that aspect of the Examiner’s recommendations but this is subject to consultation, as explained below.

The Council has now considered the Examiner’s report alongside sections 211, 212 and 213 of the Planning Act 2008 (“the Act”), Part 3 of the Community Infrastructure Levy Regulations 2010 (“the CIL Regulations”) and National Planning Practice Guidance.

The council may approve a charging schedule with modifications that it considers are sufficient and necessary to remedy the non-compliance specified by the Examiner, having regard to the modifications recommended by the Examiner.

## The Examination

The Council submitted the Charging Schedule to be examined in June 2023. The Examiner held a half day hearing in September 2023 and provided his report to the Council in late October 2023. The submitted Charging Schedule was accompanied by a thorough evidence background which demonstrated the viability of sites across the borough, and the positive margins in development that would support the increase in the CIL charge. This approach was consistent with and built on the viability work found to be sound at the recent Local Plan examination.

The Council's position was therefore backed by published evidence submitted to the examination which showed the appropriateness of a £195 charge. 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.

The responses received by the Council during the consultation were not supported by any form of evidence such as a viability assessment and following 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 only the Council had submitted a viability position. The Examiner informed the Council that "*I do not expect any further written submissions from anybody as I have sufficient in the stuff already provided*". Therefore, no additional evidence or justification was presented by any party at the examination hearing other than a verbal reiteration of earlier written comments.

On that basis, the Council considers that the Examiner had no viability evidence in front of him to consider whether an alternative charge to a zero charge would address his concern of deliverability of HA55 in a form that meets policy requirements (in s. 211(2)).

Furthermore, the Council considers that approving a zero charge for HA55 has a significant and detrimental impact on the overall infrastructure funding gap. 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 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 the Council's view that the delivery of a 40% affordable housing compliant scheme is not in doubt as the applicant has been working on the basis of delivering that level.

## Further viability work

The Council considers that, with no site specific viability for HA55 considered as part of the examination process, applying a zero charge to the allocation is not justified as a response to the Examiner's concerns. The Council acknowledges that the Examiner's recommendation related to deliverability (specifically viability) and not any other drafting requirements and, on that basis, has commissioned a further viability assessment for HA55 to consider what an appropriate, evidence based, CIL charge could be and which

meets the Examiner's concerns. This work uses the detailed information regarding the site and includes the methodology for calculating and a detailed justification for the figures used for the section 106 costs, given that this was the main focus of the Examiner's concerns.

The viability assessment considers both the site allocation (1,250 dwellings) and the submitted application (1,200 dwellings), using the same assumptions as the CIL viability evidence submitted to the Examination. However, it includes a more detailed and robust assessment taking into account the likely section 106 requirements identified through the planning application process to satisfy the Examiner's concerns.

This additional, site specific, viability report supports a CIL charge at HA55. There is no difference between the allocation and the application on a £ per sq m basis. Based on a 50% buffer, £166 per square metre can be supported. The results are similar because all the costs except the local centre/community facility are scaled according to the number of dwellings.

### Revised charge for HA55

CIL is considered to support the development identified through the Local Plan, and for that reason it usually considers allocation sites. However, in this instance, given the Examiner's recommendations and the requirement for the Council to show it has addressed any concerns raised, the Council considers that a charge of £166 per square metre for the HA55 allocation is appropriate and justified having regard to the latest viability assessment.

### Consultation Arrangements

The Council provisionally intends to approve a Charging Schedule with a revised charge for site HA55, subject to consultation. The Council considers this revised charge is justified and evidence based which takes account the concerns raised by the Examiner regarding deliverability.

The Council wishes to seek your views on a revised charge for HA55 as set out in the draft charging schedule below and the accompanying evidence base, and has opened a consultation for a **six week period from 8<sup>th</sup> December 2023 to midnight on the 18<sup>th</sup> January 2024**.

The Council **only wishes to receive and consider comments and evidence in relation to the modification proposed for HA55**, which is the only proposed departure from the Examiner's recommendations. These additions are identified by the relevant text being underlined on the revised Draft Charging Schedule attached to this letter for comment.

The additional viability report is attached to this letter and should be considered to form part of the consultation. Comments relating to the report will also be considered, on the above basis.

Following the conclusion of the consultation, the Council will consider all representations received and ensure that the key points are addressed before a final decision is made.

Yours sincerely

Richard Jolley  
**Director of Planning & Regeneration**

*Attachments – Longfield Avenue Viability Review (Three Dragons)*

# FAREHAM

## BOROUGH COUNCIL

### 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 xxxx and shall take effect on xxxx.

Charging RatesType of Development <sup>i</sup>	CIL charge per sq.m		
	Rest of Fareham Borough	<u>HA55 Land South of Longfield Avenue<sup>ii</sup></u>	Welborne <sup>iii</sup>
Residential falling within Class C3 and C4 excepting:	£195	<u>£166</u>	£0
Residential development consisting of flats in Fareham town centre as shown on figure 2 in the maps annexed to this schedule.	£0	<u>£0</u>	£0
Development comprising retirement living (sheltered <sup>iv</sup> ) on greenfield sites.	£28	<u>£28</u>	£0
All retail falling within Class E (a) excepting:	£80	<u>£80</u>	£0
Comparison retail <sup>v</sup> falling within Class E(a) in the centres as shown on figure 3 in the maps annexed to this schedule.	£0	<u>£0</u>	£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	<u>£0</u>	£0

## 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 100m<sup>2</sup> of floorspace and on those developments, which create 1 or more new dwellings, even where the floorspace is less than 100m<sup>2</sup>. 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.

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<sup>i</sup> References above to Classes are to the Use Classes as set out in the Town and Country Planning (Use Classes) Order 1987 (as amended).

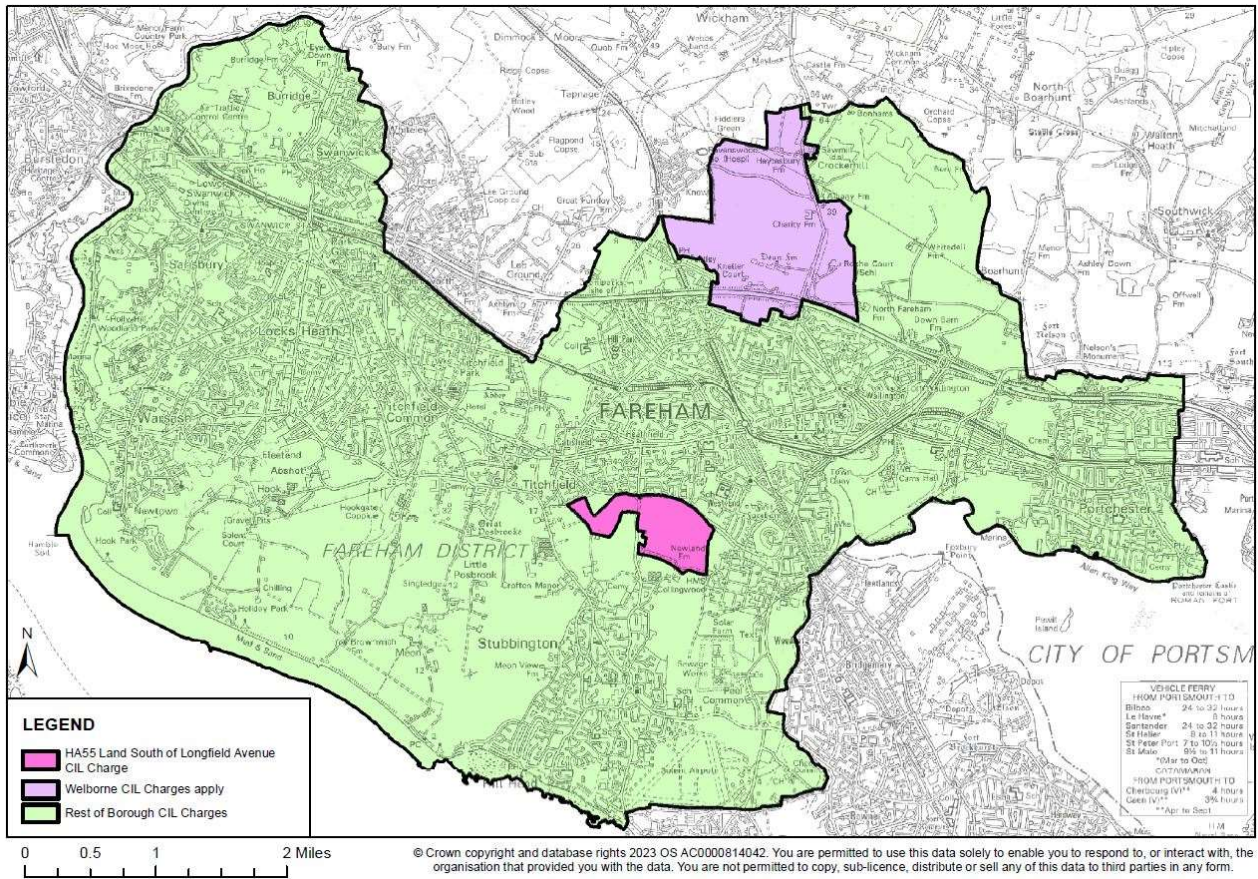
<sup>ii</sup> For the purposes of this Schedule, the area defined as HA55 Land South of Longfield Avenue is that as set out by the Fareham Borough Local Plan 2037. See Figure 1

<sup>iii</sup> 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

<sup>iv</sup> 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).

<sup>v</sup> 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.

**Figure 1: Welborne and Rest of Borough**



**Figure 2: Fareham Town Centre Flatted Development Area**

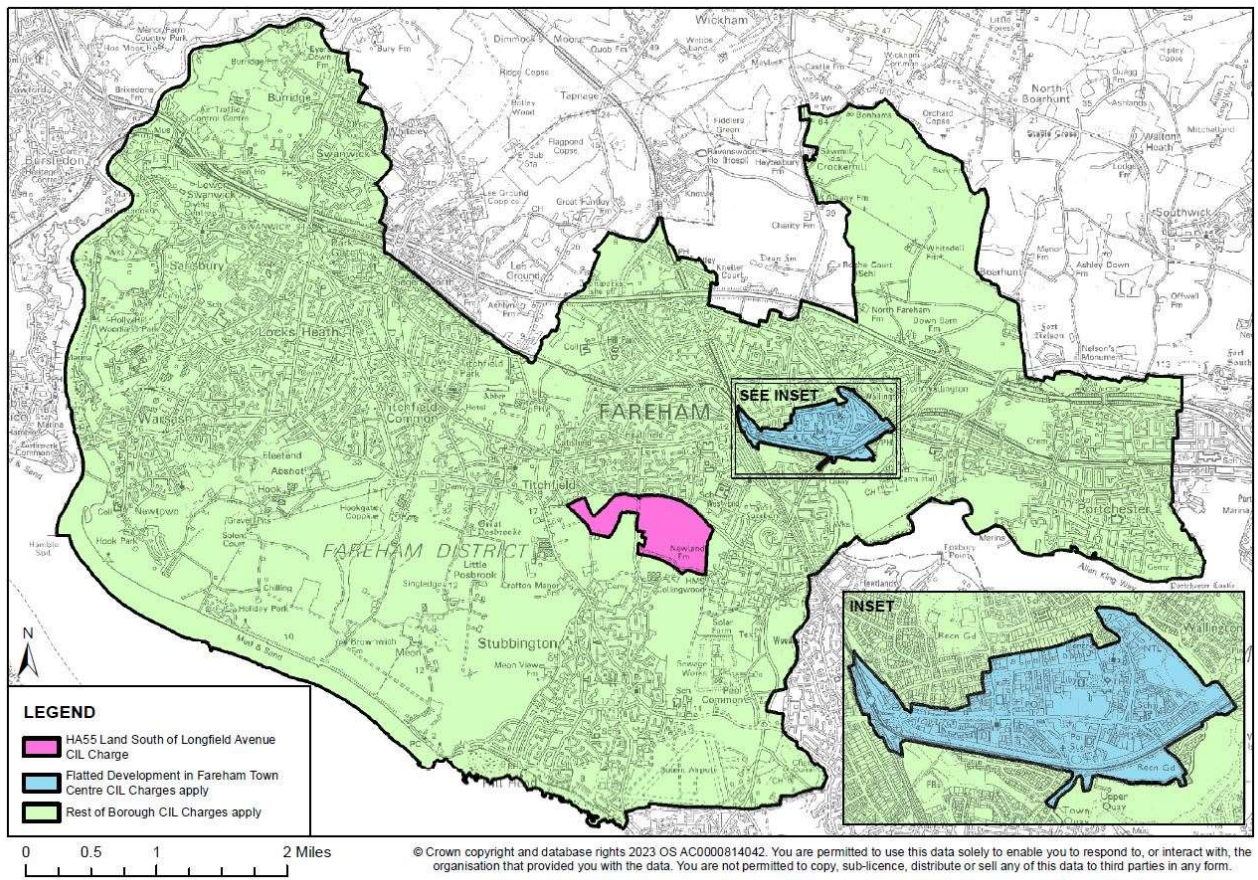
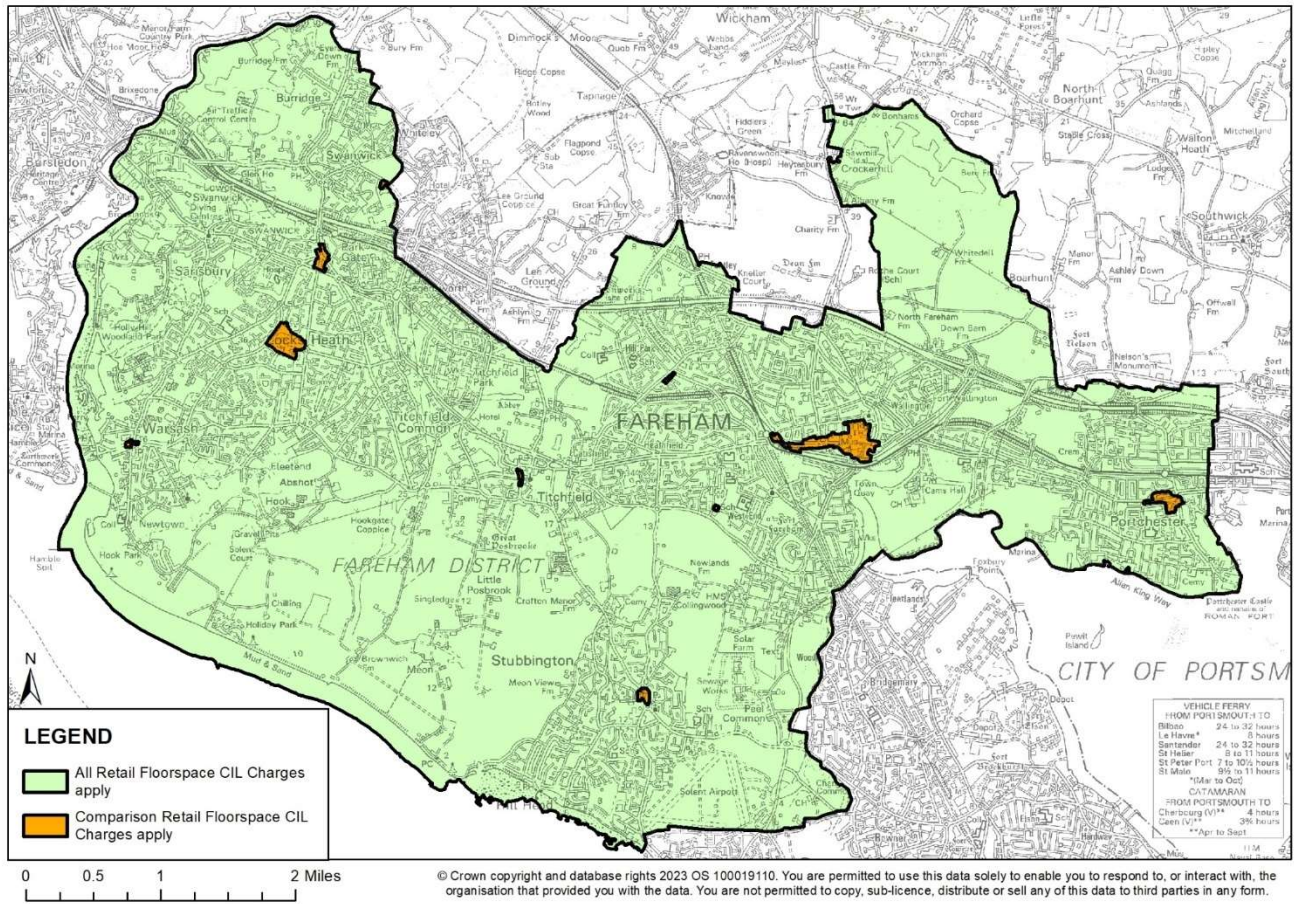
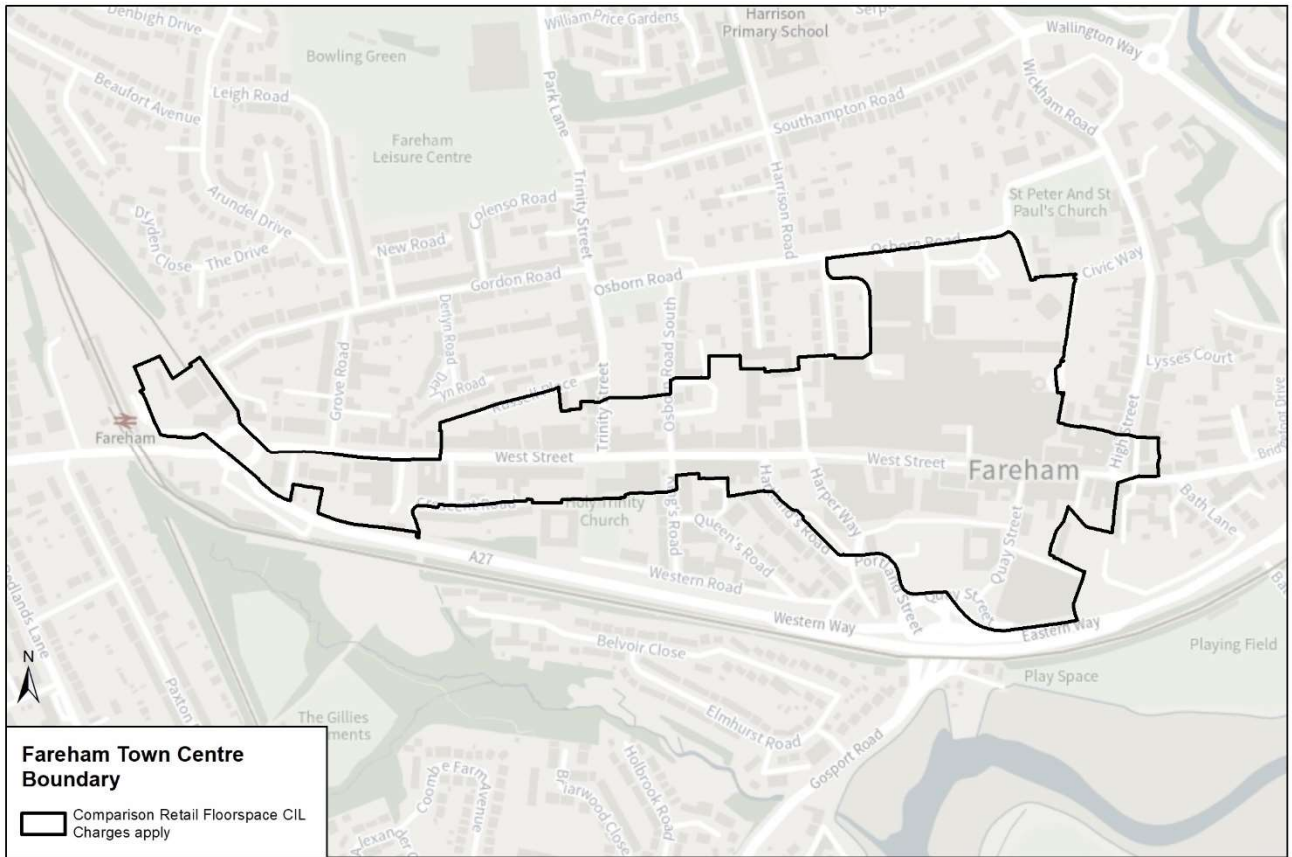
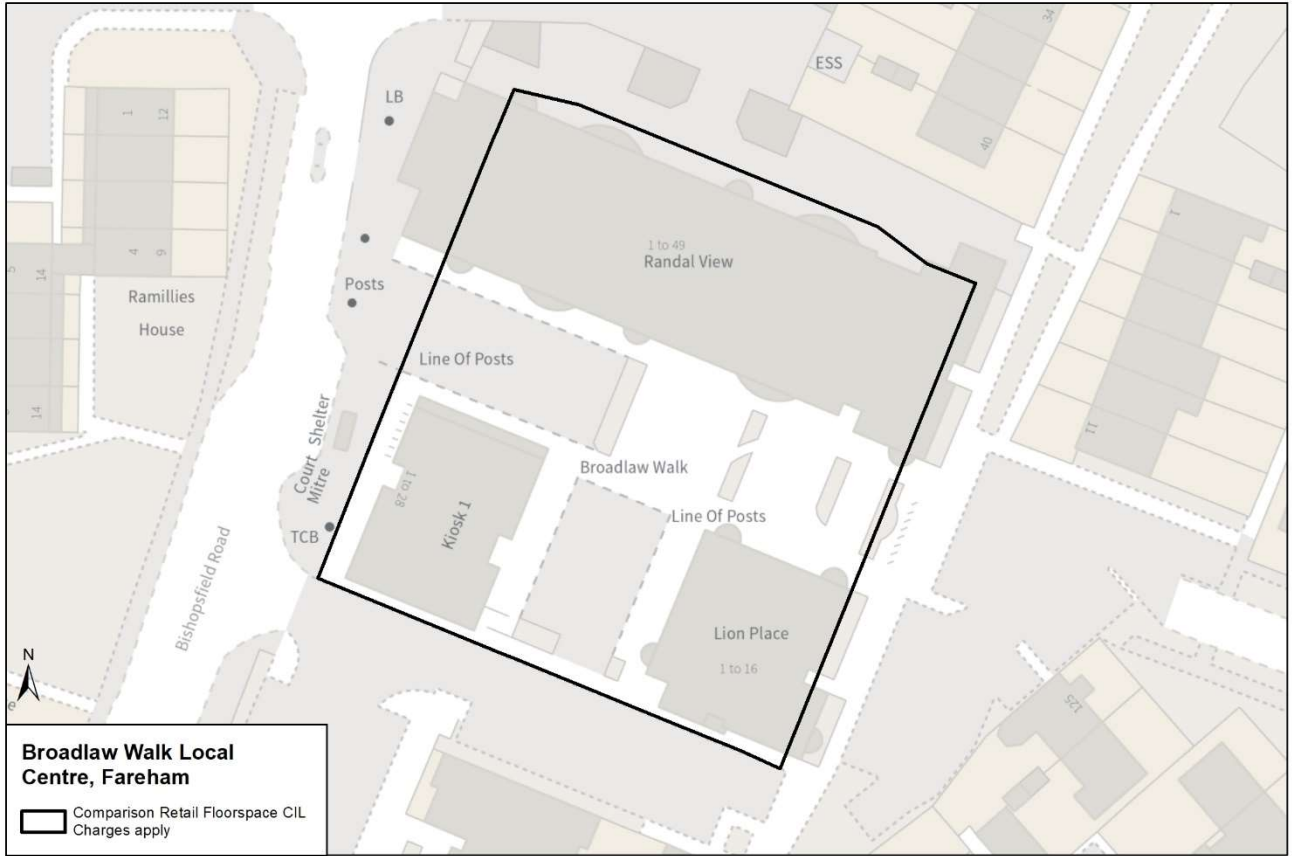
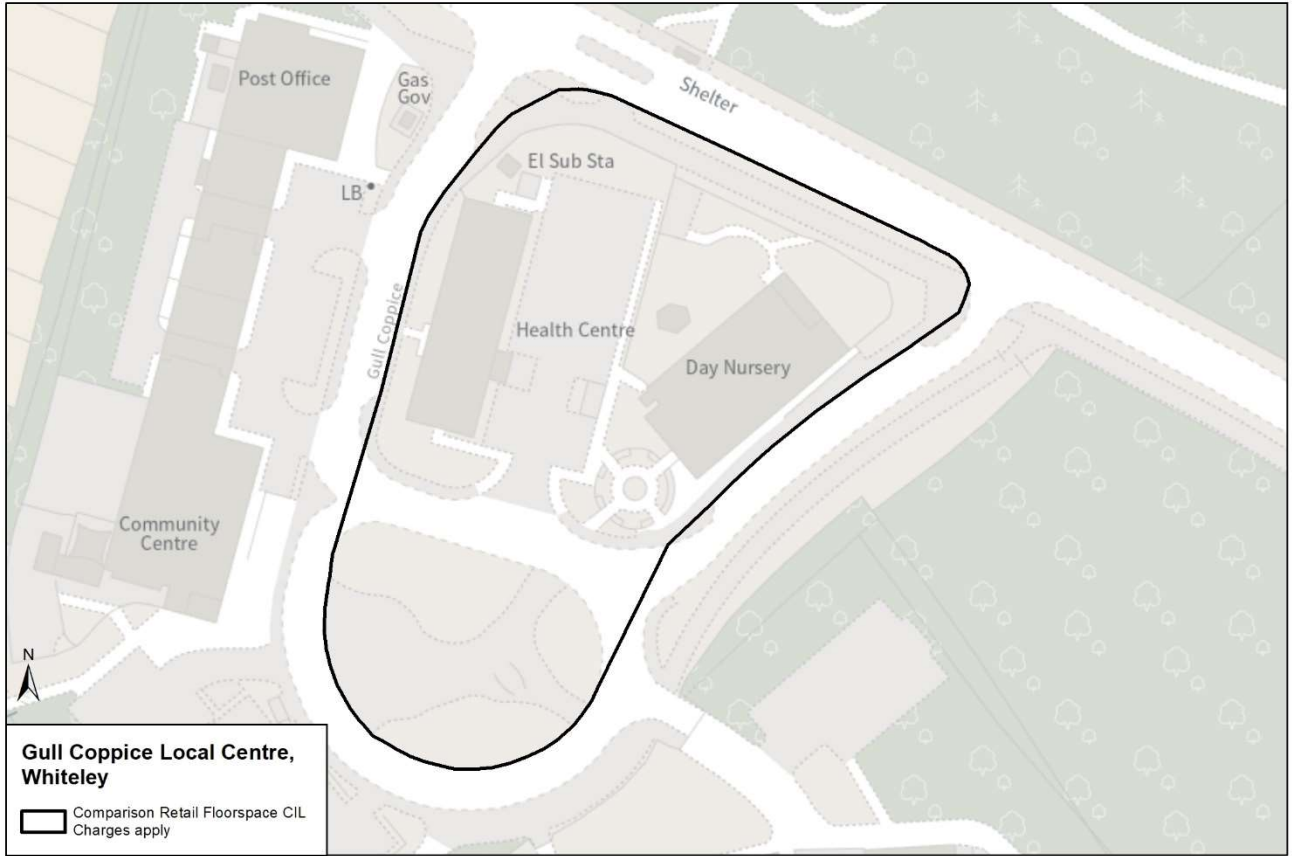


Figure 3: Comparison Retail Charging Zones

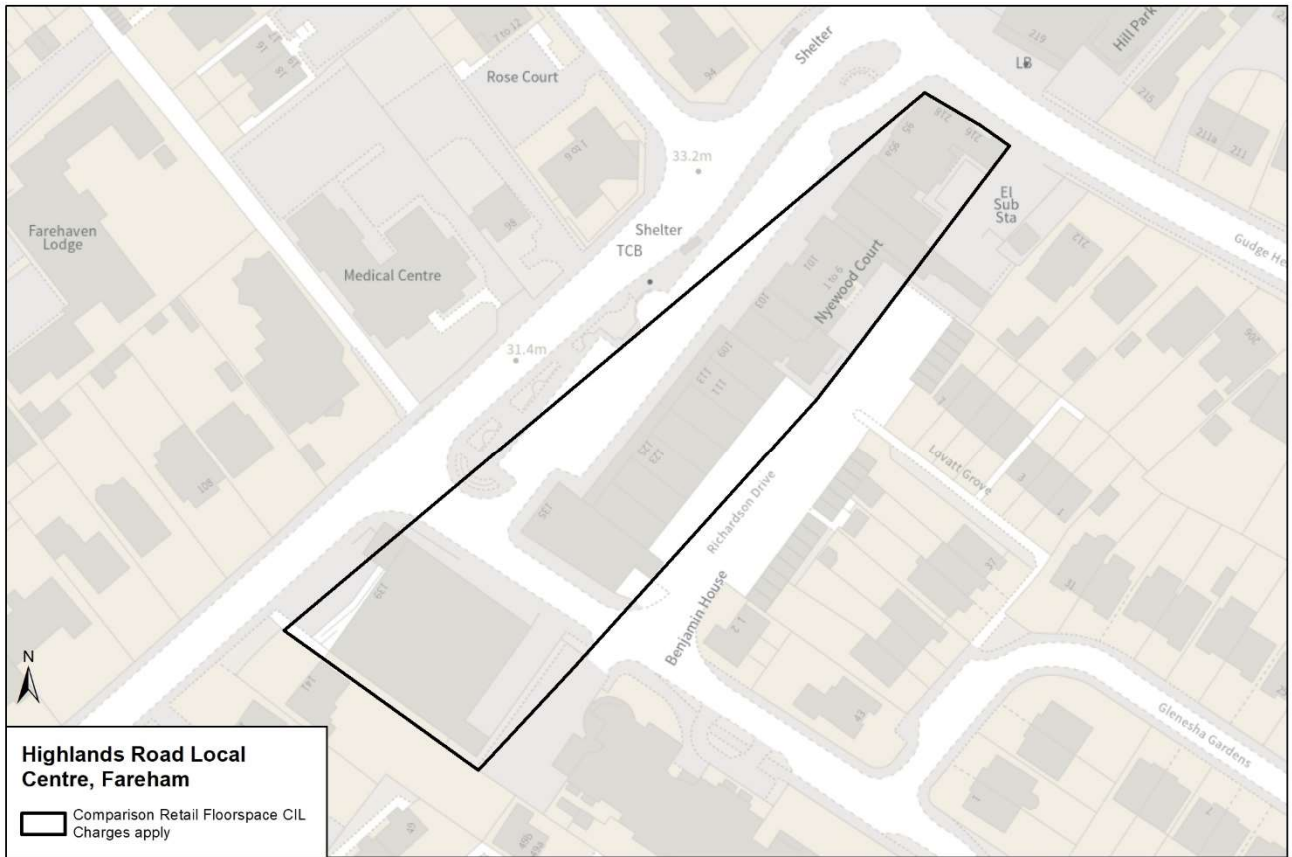








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