

FAREHAM

BOROUGH COUNCIL

COUNCIL MEETING SUMMONS

Members of Fareham Borough Council are hereby summoned to attend a meeting of the Council to be held in the Council Chamber, Civic Offices, Fareham, on **TUESDAY, 9 APRIL 2024**, commencing at **6.00 pm**.

The Mayor: Councillor Fred Birkett

The Deputy Mayor: Councillor Pal Hayre

Councillor Chrissie Bainbridge

Councillor Ian Bastable

Councillor Susan Bayford

Councillor Roger Bird

Councillor Pamela Bryant

Councillor Frair Burgess

Councillor Joanne Burton

Councillor Louise Clubley

Councillor Malcolm Daniells

Councillor Harry Davis

Councillor Steve Dugan

Councillor Tina Ellis

Councillor Jack Englefield

Councillor David Foot

Councillor Michael Ford, JP

Councillor Nick Gregory

Councillor David Hamilton

Councillor Tiffany Harper

Councillor Connie Hockley

Councillor Stephen Ingram

Councillor Kay Mandry

Councillor Simon Martin

Councillor Jacquie Needham

Councillor Paul Nother

Councillor Sarah Pankhurst

Councillor Katrina Trott

Councillor Nick Walker

Councillor Mrs Susan Walker

Councillor Seán Woodward



This Council meeting is being held 50 years to the date of the first Council meeting of Fareham Borough Council.

A copy of the agenda from the meeting held on the 9th April 1974 is attached for members' information.

1. Prayers

The meeting will commence with a short service of prayers.

2. Apologies for Absence

3. Minutes (Pages 7 - 32)

To confirm as a correct record the minutes of the Council Meetings held 23 February 2024.

4. Mayor's Announcements

5. A celebration of the Borough to mark the 50th Anniversary

6. Executive Leader's Announcements

7. Executive Members' Announcements

8. Declarations of Interest

To receive any declarations of interest from members in accordance with Standing Orders and the Council's Code of Conduct.

9. Presentation of Petitions

To receive any petitions presented by a member of the Council.

Note: any petition so presented will be dealt with in accordance with the Council's petition scheme.

10. Deputations

To receive any deputations of which notice has been given.

11. Reports of the Executive

To receive, consider and answer questions on reports and recommendations of the Executive. Minutes of the meetings of the Executive and a schedule of individual Executive member decisions are appended.

- (1) Minutes of meeting Monday, 4 March 2024 of Executive (Pages 33 - 40)
- (2) Minutes of meeting Monday, 18 March 2024 of Executive (Pages 41 - 48)
- (3) Minutes of meeting Monday, 8 April 2024 of Executive
The minutes of the meeting of the Executive held on Monday 08 April 2024 will be tabled at the meeting for consideration.
- (4) Schedule of Executive Decisions taken under Urgency Provisions (Pages 49 - 50)

12. Reports of Other Committees

To receive the minutes of the following Committees and to consider and answer questions on any reports and recommendations made.

- (1) Minutes of meeting Wednesday, 14 February 2024 of Planning Committee (Pages 51 - 56)
- (2) Minutes of meeting Wednesday, 13 March 2024 of Planning Committee (Pages 57 - 70)
- (3) Minutes of meeting Monday, 11 March 2024 of Audit and Governance Committee (Pages 71 - 76)
- (4) Minutes of meeting Tuesday, 12 March 2024 of Licensing and Regulatory Affairs Committee (Pages 77 - 82)

13. Reports of the Scrutiny Panels

To receive, consider and answer questions on reports and recommendations of the meetings of the Scrutiny Panels.

- (1) Minutes of meeting Wednesday, 21 February 2024 of Daedalus Scrutiny Panel (Pages 83 - 86)
- (2) Minutes of meeting Thursday, 14 March 2024 of Planning and Development Scrutiny Panel (Pages 87 - 90)

14. Questions under Standing Order 2.12

To answer questions pursuant to Standing Order 2.12 for this meeting.

15. Motions under Standing Order 2.6

Members will be informed, prior to the meeting, of any motion duly notified in accordance with Standing Order 2.6 but received after print and dispatch of the agenda.

- (1) Climate & Ecology Bill Motion - Update
A Motion, Climate & Ecology Bill, was received by Council on the 14 December 2023. The Motion was referred to the Planning and Development Scrutiny

Panel, who considered it at their meeting on the 14 March 2024, with the Climate Change Scrutiny Panel invited to participate.

16. Adoption of the Revised Charging Schedule for Community Infrastructure Levy (Pages 91 - 206)

A report by the Director of Planning and Regeneration.

17. Annual Review of the Audit and Governance Committee (Pages 207 - 214)

A report by the Assistant Director (Finance & ICT).

18. Committee Work Programmes 2024/25 (Pages 215 - 220)

A report by the Assistant Director (Democracy).

19. Appointments to Committees

To make any changes in appointments to the seats on committees in accordance with the wishes of political groups. Such appointments will take effect from 10/04/24.



A WANNELL
Chief Executive Officer

www.fareham.gov.uk

28 March 2024

For further information please contact:
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BOROUGH OF FAREHAM



Order of Proceedings at the
FIRST ANNUAL MEETING
OF THE
FAREHAM BOROUGH COUNCIL

TUESDAY, 9th APRIL, 1974

FAREHAM

BOROUGH COUNCIL

Minutes of the Council

Date: Friday, 23 February 2024

Venue: Council Chamber - Civic Offices

PRESENT:

F Birkett
(Mayor)

Mrs P Hayre
(Deputy Mayor)

Councillors: Ms C Bainbridge, I Bastable, Mrs S M Bayford, R Bird,
Mrs P M Bryant, Ms F Burgess, Miss J Burton,
Mrs L E Clubley, M R Daniells, H P Davis, S Dugan,
Mrs T L Ellis, D G Foot, M J Ford, JP, N R Gregory,
Miss T G Harper, Mrs C L A Hockley, S Ingram,
Mrs K Mandry, S D Martin, Mrs J Needham, P Nother,
Ms S Pankhurst, Mrs K K Trott, N J Walker, Mrs S M Walker
and S D T Woodward



Prior to the Commencement of the meeting, a minute's silence was observed in remembrance of Alderman Brian Bayford who passed away on 09 February 2024.

1. PRAYERS

The meeting commenced with a service of prayers led by the Mayor's Chaplain, Reverend Mike Terry..

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J M Englefield and D J Hamilton.

3. DECLARATIONS OF INTEREST

Councillor S D T Woodward declared a personal interest in item 4(1) on the agenda as he is the intended recipient of the honorary title. Councillor Woodward remained in the Chamber during the debate but did not vote on the item.

4. HONORARY FREEDOM OF THE BOROUGH OF FAREHAM

(1) Seán D T Woodward

Councillor S D T Woodward declared a personal interest in this item as he is the intended recipient of the honorary title. Councillor Woodward remained in the Chamber during the debate but did not vote on the item.

The Mayor announced that this special meeting of the Council, convened in accordance with section 249 of the Local Government Act 1972, was to consider the investiture of Honorary Freeman of the Borough of Fareham on Seán Woodward.

The following motion was proposed by Councillor N J Walker and seconded by Councillor Mrs C L A Hockley:

“That Seán D T Woodward be admitted to the Roll of Honorary Freeman of the Borough of Fareham, upon his retirement as a Councillor, in recognition and acknowledgement of his eminent services to Fareham Borough Council from 1986 to 2024 and his contribution to the life of the Borough”.

In reaching its decision, the Council took account of Seán Woodward's service as a Councillor and the contribution he has made to the life of the Borough.

During the debate, Councillors N Walker, Mrs C L A Hockley, Mrs P M Bryant, N Gregory, Mrs S Bayford, S Martin, M Ford, Ms J Burton, Mrs S Walker and D Foot addressed the meeting.

On being put to the meeting, the motion was declared carried unanimously.

RESOLVED that Seán Woodward be admitted to the Roll of Honorary Freemen of the Borough of Fareham, upon his retirement as a Councillor, in recognition and acknowledgement of his eminent services to Fareham Borough Council from 1986 to 2024 and his contribution to the life of the Borough.

Upon the Motion being carried, the Mayor presented Seán Woodward with a formal document commemorating the grant of office, together with a scroll citation and the badge of office. Seán was invited to sign the Roll of Honour, duly witnessed by the Mayor and the Chief Executive Officer.

Seán addressed the Council in reply.

The Mayor then concluded the meeting.

(The meeting started at 4.00 pm
and ended at 4.42 pm).

..... Chairman

..... Date

FAREHAM

BOROUGH COUNCIL

Minutes of the Council

Date: Friday, 23 February 2024

Venue: Council Chamber - Civic Offices

PRESENT:

F Birkett
(Mayor)

Mrs P Hayre
(Deputy Mayor)

Councillors: Ms C Bainbridge, I Bastable, Mrs S M Bayford, R Bird, Mrs P M Bryant, Ms F Burgess, Miss J Burton, Mrs L E Clubley, M R Daniells, H P Davis, S Dugan, Mrs T L Ellis, D G Foot, M J Ford, JP, N R Gregory, D J Hamilton, Miss T G Harper, Mrs C L A Hockley, S Ingram, Mrs K Mandry, S D Martin, Mrs J Needham, P Nother, Ms S Pankhurst, Mrs K K Trott, N J Walker, Mrs S M Walker and S D T Woodward



1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor J M Englefield.

2. MINUTES

RESOLVED that the Mayor be authorised to sign, as a correct record, the minutes of the meeting of the Council held on 14 December 2023.

3. MAYOR'S ANNOUNCEMENTS

The Mayor announced that a very enjoyable tea party was held on the 08 February in the Council Chamber where a talk was given on the comedy and social comment of seaside postcards.

The Mayor also announced that the next tea party will take place on Thursday 14th March where guests will receive a talk from the Crafty Makery Team.

Finally, the Mayor confirmed that his Black-Tie Charity Ball will be taking place on Friday 19 April 2024 in the Wardroom at HMS Collingwood. All proceeds will go to the Mayor's chosen charities of Sophie's Legacy and Veterans Outreach Support. Tickets are priced at £65 per person and it promises to be an outstanding event.

4. EXECUTIVE LEADER'S ANNOUNCEMENTS

There were no Executive Leader's announcements.

5. EXECUTIVE MEMBERS' ANNOUNCEMENTS**Leisure and Community**

The Executive Member for Leisure and Community announced that the construction of Fareham Live is progressing well and the venue will be opened later this year.

Over the past month, the floor screed in the main auditorium has been laid and the fly tower internal acoustic lining has been installed. Theatre equipment will start to be installed next month as well as the lifts and toilets.

The Executive Member stated that members would already be aware that it will be managed by Trafalgar Theatres who are a leading global live entertainment company operating 18 other venues. The Executive Member confirmed that she recently had the pleasure of meeting Gavin Shuman who is the Venue Director and was please to say that Gavin is working incredibly hard to develop an exciting programme for when the building opens. The

Pantomime has already been booked and tickets will be going on sale very soon.

6. DECLARATIONS OF INTEREST

Members were reminded that the Monitoring Officer had granted a dispensation to all members to enable a discussion and a decision to be taken at item 14 – Finance Strategy, Capital Programme, Revenue budget and Council Tax 2024/25.

7. PRESENTATION OF PETITIONS

The Council received an update in respect of the online petition requesting that the Council step in and work with Hampshire County Council, Hampshire Cultural Trust, the Ashcroft Arts Centre and residents in finding a solution to keep the Ashcroft Arts Centre open.

Members were advised that Trafalgar Entertainment has begun dialogue with the Ashcroft Arts Centre to ensure that community groups and organisations, who wish to move across to Fareham Live, can be accommodated when the Ashcroft Centre closes later this year. These discussions are already taking place as the intention for Fareham Live has always been to provide a community hub with a well-balanced programme of events.

Hampshire County Council's consultation on the provision of future services is currently running and closes on 31 March. The results of this petition will be made known to the Culture, Communities and Strategic Programmes Lead Officer at the County as part of that consultation.

8. DEPUTATIONS

There were no deputations given at this meeting.

9. REPORTS OF THE EXECUTIVE

(1) Minutes of meeting Monday, 8 January 2024 of Executive

RESOLVED that:

- (a) the minutes of the meeting of the Executive held on Monday 08 January 2024 be received;
- (b) the recommendations contained in minute 10(2) be confirmed at item 18 of the agenda; and
- (c) the recommendations contained in minute 10(3) be confirmed at item 17 on the agenda.

(2) Minutes of meeting Monday, 5 February 2024 of Executive

RESOLVED that:

- (a) the minutes of the meeting of the Executive held on Monday 05 February 2024 be received;
- (b) the recommendations contained in minute 10(1) be confirmed at item 14 on the agenda;
- (c) the recommendations contained in minute 10(2) be confirmed at item 15 on the agenda; and
- (d) the recommendations contained in minute 10(3) be confirmed at item 16 on the agenda.

- (3) Schedule of Individual Executive Member and Officer Delegated Decisions

RESOLVED that the Schedule of Individual Executive Member and Officer Delegated Decisions be received.

10. REPORTS OF OTHER COMMITTEES

- (1) Minutes of meeting Monday, 11 December 2023 of Appointments Sub-Committee

RESOLVED that:

- (a) the members of the Appointments Sub-Committee agree that the minutes of the meeting of the Appointments Sub-Committee held on 11th December 2023 be confirmed and signed as a correct record; and
- (b) Council agrees that the minutes of the Appointments Sub-Committee held on Monday 11 December 2023 be received.

- (2) Minutes of meeting Wednesday, 13 December 2023 of Planning Committee

RESOLVED that the minutes of the Planning Committee held on Wednesday 13 December 2023 be received.

- (3) Minutes of meeting Thursday, 14 December 2023 of Planning Committee

RESOLVED that the minutes of the Planning Committee held on Thursday 14 December 2023 be received.

- (4) Minutes of meeting Wednesday, 17 January 2024 of Planning Committee

RESOLVED that:

- (a) the minutes of the meeting of the Planning Committee held on Wednesday 17 January 2024 be received; and
 - (b) the recommendations contained in minute 7 be confirmed at item 14 on the agenda.
- (5) Minutes of meeting Tuesday, 30 January 2024 of Licensing and Regulatory Affairs Committee

RESOLVED that:

- (a) the minutes of the meeting of the Licensing and Regulatory Affairs Committee held on Tuesday 30 January 2024 be received; and
- (b) the recommendations contained in minute 7 and minute 8 be considered at item 14 on the agenda.

11. REPORTS OF THE SCRUTINY PANELS

- (1) Minutes of meeting Thursday, 30 November 2023 of Housing Scrutiny Panel

RESOLVED that the minutes of the meetings of the Housing Scrutiny Panel held on Thursday 30 November 2023 be received.

- (2) Minutes of meeting Thursday, 8 February 2024 of Housing Scrutiny Panel

RESOLVED that the minutes of the meeting of the Housing Scrutiny Panel held on Thursday 08 February 2024 be received.

- (3) Minutes of meeting Tuesday, 16 January 2024 of Climate Change Scrutiny Panel

RESOLVED that the minutes of the meeting of the Climate Change Scrutiny Panel held on Tuesday 16 January 2024 be received.

- (4) Minutes of meeting Thursday, 18 January 2024 of Daedalus Scrutiny Panel

RESOLVED that the minutes of the meeting of the Daedalus Scrutiny Panel held on Thursday 18 January 2024 be received.

- (5) Minutes of meeting Monday, 22 January 2024 of Policy and Resources Scrutiny Panel

RESOLVED that the minutes of the meeting of the Policy and Resources Scrutiny Panel held on Monday 22 January 2024 be received.

- (6) Minutes of meeting Wednesday, 24 January 2024 of Health and Public Protection Scrutiny Panel

RESOLVED that the minutes of the meeting of the Health and Public Protection Scrutiny Panel held on Wednesday 24 January 2024 be received.

- (7) Minutes of meeting Thursday, 25 January 2024 of Streetscene Scrutiny Panel

RESOLVED that the minutes of the meeting of the Streetscene Scrutiny Panel held on Thursday 25 January 2024 be received.

- (8) Minutes of meeting Wednesday, 31 January 2024 of Planning and Development Scrutiny Panel

RESOLVED that the minutes of the meeting of the Planning and Development Scrutiny Panel held on Wednesday 31 January 2024 be received.

- (9) Minutes of meeting Tuesday, 6 February 2024 of Leisure and Community Scrutiny Panel

RESOLVED that the minutes of the meeting of the Leisure and Community Scrutiny Panel held on Tuesday 06 February 2024 be received.

12. QUESTIONS UNDER STANDING ORDER 2.12

There were no questions submitted for this meeting.

13. MOTIONS UNDER STANDING ORDER 2.6

- (1) Notice of Motion dated 12 February 2024 received from Councillor Mrs C L A Hockley

A notice of Motion was submitted by Councillor Mrs C L A Hockley in respect of community generated energy schemes:

“That Fareham Borough Council

- (i) Acknowledges the efforts that this Council has made to reduce greenhouse gas emissions and promote renewable energy:
- (ii) Further recognises:
 - that because small-scale renewable energy generation sites receive no guaranteed price certainty for the electricity they generate, it is difficult for sites to finance new generation projects or expand existing ones.
 - that enabling small-scale renewable energy generation sites (capacity below 5 megawatts) to export their electricity to an existing electricity supplier on fair terms would provide sites with a guaranteed income which can be used to expand existing projects or establish new ones.

- that very large financial setup and running costs involved in selling locally generated renewable electricity to local customers result in it being impossible for community-owned and run renewable electricity generators ('community schemes') to do so,
 - that requiring existing larger suppliers to work with community schemes to then sell the electricity they generate to local customers would mean local households, businesses and public services can access locally-generated, clean and affordable electricity,
 - that revenues received by such community schemes that chose to become local renewable electricity providers could be used to help improve the local economy, local services and facilities and to reduce local greenhouse gas emissions.
- (iii) Notes that the Government-commissioned Net Zero Review, authored by Rt Hon Chris Skidmore and published on the Government's website on the 14th January 2023, recommends that Government should commit to enabling community energy projects to provide energy directly to local households and businesses.
- (iv) Accordingly resolves to support a Right to Local Supply, as outlined in the Local Electricity Bill of last year that was supported by a cross-party group of 326 MPs; and
- (v) Further resolves to:
- inform the local media of this decision,
 - write to local MPs, asking them to support the establishment of a Right to Local Supply for community energy projects, and
 - write to the organisers of the campaign for the Right to Local Supply, Power for People, (at Camden Collective, 5-7 Buck Street, London NW1 8NJ or info@powerforpeople.org.uk) expressing its support.

Having been duly proposed by Councillor Mrs C L A Hockley and seconded by Councillor Miss T Harper, the Motion was referred to the Planning and Development Scrutiny Panel for consideration.

14. FINANCE STRATEGY, CAPITAL PROGRAMME, REVENUE BUDGET AND COUNCIL TAX 2024/25

- (1) Suspension of Standing Order 2.15 and 2.16

Having been duly proposed by Councillor S D Martin and seconded by Councillor I J Bastable, it was RESOLVED that:

- (a) the provisions of Standing Order 2.15 be suspended to allow the Executive Leader of the Council to speak on matters referred to in item 14(2) and 14(3) for longer than five minutes; and also to allow the Spokesman of the Opposition Group to speak for not more than ten minutes; and
- (b) the provisions of Standing Order 2.16 be suspended to allow the Executive Leader of the Council to speak on matters referred to in items 14(2) and 14(3) more than once to respond to points raised in debate.

(2) Report to the Executive - 05 February 2024

Councillors Mrs F L Burgess and M J Ford left the Chamber at the start of this item.

It was proposed by Councillor S D T Woodward and seconded by Councillor S D Martin that the Council accept the recommendation of the Executive and approves:

- (a) the capital programme and financing of £58,678,500;
- (b) an overall revised net revenue budget for 2023/24 of £12,376,100;
- (c) a net revenue budget for 2024/25 of £13,292,600;
- (d) a council tax for Fareham Borough Council for 2024/25 of £185.86 per band D property, which represents a £5.40 per year increase when compared to the current year and is within referendum limits;
- (e) an unchanged Council Tax Support scheme for 2024/25; and
- (f) that the Council continues to disregard the whole of any incomes prescribed in the Housing Benefit (War Pensions Disregards) Regulations 2007 and the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.

In presenting the budget proposals, the Executive Leader gave the following review of the Council's performance, success stories and notable achievements from the year and outlined the agreed priorities:

The Executive Leader began with a wholehearted thank you to all the Council staff and to his fellow councillors for their continued dedication and professionalism. With regard to the budget being presented particular thanks were extended to Andy Wannell and his finance team without whom, in financial terms, this Council would not be the envy of many of its neighbours for prudent budgeting.

The Executive Leader advised that throughout the presentation there would be examples of the Council's considered but ambitious approach, with capital investments across the Borough and stated that whilst the Council continues to plan ahead carefully to meet the current and future needs of our residents, it must be acknowledged that we also face continued financial challenges, further impacted by the cost-of-living crisis. Therefore, the Executive Leader

recommended a very small increase of just one penny per day council tax increase for 2024/2025 for the average home.

The Council's performance, success stories and notable achievements from the year and the agreed priorities were advised as follows:

Residents are privileged to live in a Borough with many areas of high-quality parks and green spaces. Both Holly Hill Woodland Park and The Sensory Garden in the town centre were again awarded Green Flags designating them as some of the best parks in the country.

For over 25 years, Fareham in Bloom has brought residents together to showcase their gardens. Hundreds of entries were submitted in a range of categories this year, with hundreds of votes being cast by our residents to choose the winners.

Since the opening of the beautiful Queen Elizabeth II Platinum Jubilee Park last year, lots of residents are enjoying the space and views it has to offer.

The Borough opened two new sponsored tree planting areas, the Queen's Copse and Platinum Copse, in honour of our late Queen's Platinum Jubilee.

The Council manages 46 children's play areas across the Borough and has been working to upgrade many of them with inclusive equipment. Hundreds of residents gave their feedback about how Badger's Copse, Fielding Road and Seafield Park play areas could be improved. Improvement works were completed in Winter 2023.

Following the public consultation on the re-development of Crossfell Walk play area, 15 additional pieces of play equipment are being added. Work is due to start within the next few months. Residents also voted to name the project to transform The Fareham North West community and leisure facilities as 'Fareham Park'.

The community gathered in great numbers for the King's Coronation ceremonial and community events. Once more younger residents were able to enjoy Access All Areas where a total of 98 children attended.

Despite the weather, thousands of people also enjoyed this year's Christmas light switch on with the festive decorations, music, performers, and activities.

In October, Fareham Borough Council bought Fareham Shopping Centre and several adjoining properties on West Street. Ownership will enable the Council to provide stability and reassurance to its tenants as it works with them and other key partners to develop a new all-encompassing strategy leading to a more vibrant town centre.

Demolition work is well advanced on Osborn Road and the multi storey will be replaced with a surface car park benefiting from larger car parking spaces and electric vehicle charging points.

A Let's Talk Fareham pop-up engagement session took place in West Street to gain on-the-spot feedback from residents. This pop-up feedback session will

be held on an ad-hoc basis and aims to provide an informal setting for residents to voice their opinions about consultations or to raise any concerns they might have within the Borough.

A new Facebook group called Let's Talk Fareham has been created where Fareham residents can comment and interact with posts relating to open consultations taking place in the Borough. Valuable feedback is already being gained from this group and the number of members currently stands at over 600.

The new operator, Trafalgar Theatres was appointed for Fareham Live. Trafalgar Theatres has a proven international track record and expertise in regional theatre and venue operation. Its current portfolio of 14 venues represents both regional and international theatres, live music venues and concert halls.

An exclusive sponsorship opportunity was launched for individuals and businesses to become a part of history at Fareham Live. 'A Wave of Thanks' piece of wall art will be featured in the foyer and made up of coloured bars, which will be inscribed with the name of each sponsor.

An impressive array of accessible features will welcome residents and performers with disabilities to Fareham Live. The Council has received £50,000 of Government funding for Fareham Live's Changing Places Toilet, part of a £30 million national fund to install these in public places and tourist attractions.

There has been significant building progress at Fareham Live where the site is really coming together now.

In collaboration with the Solent Local Enterprise Partnership, we were pleased to launch tailored business support for start-ups. This provides 12 months of intensive support to eight new businesses in the Fareham postcode area. A series of free business networking events was introduced across the Borough. These events are supported by the Federation of Small Businesses, Chamber of Commerce, Enterprise South, the Department for Work and Pensions and the Solent Local Enterprise Partnership.

The Council appointed the decarbonisation specialist, Beyond Procurement to help reduce the carbon footprint of businesses in Fareham. Beyond Procurement will provide a 12-month support programme to 27 Fareham-based businesses, providing expert advice to help them achieve their sustainability goals and, in most cases, reduce their energy costs.

Essential improvement works to the runway and taxiways at Solent Airport were completed in September.

A revised package of investment at Solent Airport was approved this year. Spearheaded by Aeronautical Ground Lighting (AGL), the improvements programme was increased by circa £800,000 to include new airport fuel assets and almost £400,000 for safety improvements to the Visual Control Room at the Control Tower.

D-Day 80 plans were confirmed by the Executive. Montserrat Events Community Interest Company has been appointed to organise an event, to commemorate the 80th Anniversary of D-Day in June 2024 non-airside at Daedalus which Regional City Airports will oversee airside.

Three housing developments were officially opened this year. Sir Randal Cremer House, Queen's Road and Capella Close are delivering a mix of sheltered and affordable homes.

The Executive Leader was pleased to note that the 'Fareham Local Plan 2037' was formally adopted at a Full Council meeting in April. The Fareham Local Plan 2037 is now part of the Council's Policy Framework that will be used by the Planning Committee when considering planning applications and will sit alongside the Welborne Plan.

The Welborne Strategic Design Code and Streets Manual were both formally submitted and approved this year. Both documents underpin the whole character and layout for Welborne, dictating the design, look and feel of the development.

The first of many thousands of lines of hedges were planted by Secretary of State Michael Gove in a ceremony at Welborne. The scheme should see the first residents move in this year.

A rolling five-year programme has been approved to modernise the Fareham Borough Council fleet of commercial vehicles and move towards a more modern, resilient, efficient, and cost-effective fleet. This programme not only looks to lower the overall age of the fleet but will incorporate 16 electric vehicles to replace old diesel vehicles. The Council is also developing a detailed business case for a solar farm on Hook Recreation Ground. The proposed 3.5MW solar farm will assist towards the Council's commitment to become carbon neutral by 2030 as well as generate much needed income.

An additional seasonal dog exclusion zone came into force at Hill Head, to safeguard protected birds. The new protected zone will create a safe haven for migrating birds at the western end of the beach between October and March each year.

The cost-of-living crisis has increased the cost of council wide services in areas such as energy, fuel and building costs. As the Council's Medium Term Finance Strategy for 2023-2027 has predicted a funding gap in all years, a new opportunities plan for 2023-2027 is being developed to address these predictions and will be a major focus for the Council for the next few years.

Coastal car park charges were implemented in 9 of our car parks in 2021. Wicor Recreation Ground car park has now been reclassified as a coastal car park and will provide additional income for the Council to continue to provide a good level of enforcement and car park provision across the Borough.

The Council has re-confirmed its commitment with Hampshire County Council to working together to secure additional funds, if necessary, for the M27 Junction 10 Improvement Scheme, to ensure that Welborne Garden Village

remains on track. The ravages of inflation have had a negative impact on the cost of construction materials and is in turn expected to affect the cost of the project. The Executive Leader stated that he has just received a very positive response having alerted government to this possibility.

The Executive Leader stated that, even though the Council has achieved a great deal already, there is still a great deal to do to ensure residents continue to receive high quality services as there will be further financial pressure in the future.

The financial year 2024/25 will see a further one-off settlement from central government even though the Council has been asking for clarity over its funding and for the opportunity to make its own decisions over setting council tax rather than rely on a percentage increase that is determined centrally. The Fair Funding Review has been deferred until the start of the 2025/26 financial year so any changes arising from this will not be seen until the 2026/27 financial year and the chances are that finances for district councils will not benefit from this review mainly due to pressures in other areas such as social care and education.

As well as potential funding reductions the Council must also plan for other budget pressures that will see spending increase over the next few years. There is an ongoing cost of the homelessness service provision (£100,000 - £2m), changing demand for car parking, HCC's arrangement for waste & recycling, the emerging waste strategy from central Government, the increasing pressure of maintaining our own assets and managing our woodlands, all of which come at a cost to the council. The Executive Leader stated that with all of this we must not forget climate change which is never out of the news and is something on which the Council has also focussed.

Also, the council has expectations and demands from its customers that can come at a cost particularly around areas such as keeping the borough tidy or maintaining the high standards of our parks and open spaces. This all comes on top of the current cost of living crisis that has not only seen many households struggle but has also seen this council experience cost increases due to high inflation.

As with all Medium-term finance strategies, the outlook for the Council's finances is based on best estimates at this point. These figures do include a 3% increase in council tax if approved by Members tonight. There have been calls for councils to be able to increase their council tax by more than 3% but these have been rejected by the government. This means that Fareham will continue to fall behind other local authorities as Fareham's band D council tax is £75 below the average district council tax and is over £200 below the highest band D who will be able to increase their council tax by over £11 which is double the proposed increase for Fareham thus making the gap between those prudent councils and others even greater.

The Executive Leader stated that, this year, the Council has a balanced budget for 2023/24 which will see a small contribution to reserves.

Next year - 2024/25 - will see a need to use reserves of £404,200 to balance the budget even with a 3% increase in council tax.

In future years, the shortfall will continue to grow towards the end of the strategy period to an extent where the deficit will be £1.9m by 2026/27 this also requires a 3% increase in council tax each year but there will be no available reserves to balance the budget after the 2025/26 financial year. The council does have healthy reserves but must keep a minimum of 5% as a spending reserve for emergencies. Fareham has chosen to double the 5% as a spending reserve but government expectations in the finance settlement are for councils to use reserves before seeking additional council tax increases or any other help from the government. These figures include all the assumptions and known changes to the budgets but more importantly do not include provisions for new priorities such as climate change, town centre regeneration or the costs of implementing the corporate strategy which was approved last year.

The Executive Leader stated that we know that climate change is a popular topic at the moment with pledges to be carbon neutral by 2030 but to achieve this there must be investment in services which is difficult when we are aware of the deficit picture. The cost of living crisis has affected the council as well as residents. Inflation is slowly coming under control, but the bank base rates have increased to their highest levels since 2008 currently being at 5.25%.

The Council purchased the shopping centre in September 2023 as part of a wider regeneration project which is a big priority for the council. This has helped generate significant additional income and, along with the opportunities plan work so far, has helped to buy some time and push the problem back a year.

At this point, the Executive Leader turned his attention to the Council's capital programme. The General Fund capital programme for the next 5 years is a very generous £59 million, focussed on delivering schemes which accord with our Council Priorities.

The biggest scheme the Council has for the next 5 years is the development of the Fareham Live project which will see investment of £17m with a view to the facility being opened later this year. Also working alongside this project, the demolition of the Osborn Road Multi Storey Car park will be demolished as the facility came to the end of its useful life and will be replaced by a surface car park which will provide a much better customer experience for those using the town centre and the new Fareham Live. There will then be over 1,400 parking spaces within very easy reach of Fareham Live.

The Executive Leader stated that as well as the big-ticket items the Council will continue to invest in the airport, in housing grants, in Leisure schemes and in the vehicle fleet to make sure we continue to provide high quality services for our residents. This is a fully funded programme, paid partly from resources that the Council has accumulated, and also with a large proportion attracted from external sources, thereby protecting the Council Tax payers.

At the end of the 5 years it is estimated that there will be a surplus of £3 million which represents a contingency of 5% of the overall programme but this relies on every scheme being completed on time and within budget. Surplus resources are required to cover budgetary situations and also for new

schemes that may come online during the next 5 years, and it is important to realise that the programme relies heavily on capital receipts, revenue contributions of almost £10 million to fund the programme and also borrowing arrangements of just over £16million are required to fund the programme. Despite all of the committed capital spend it is important to note that there will be a need to spend some £200 million in the next 30 years to make sure that all of the Council's assets remain fit for purpose and to keep them operational.

The Executive Leader announced that he would now turn to the revenue budget for Council housing. The cost of running the Housing Revenue Account in 2024-25 is estimated to be just over £15.3 million, with the principal source of funding being from rents. Almost 90% of the annual income is from rent of dwellings and garages with the average weekly rent in Fareham being £120.40 in 2024-25 which represents an increase of 7.7% which is in line with the usual rent increase of CPI as of September of the previous year plus 1%. This as with Council Tax setting is agreed centrally so any local control over rent setting is not available to those who know their customers and stock the best.

As part of the Housing Revenue Account the next 5 years will see a £28 million investment in our properties including improvements, acquisitions and a new build programme. The Council also has a large investment in its housing stock of over £28m through to 2027/28. The Executive Leader went on to highlight some of the current projects:

- Sir Randal Cremer House (Station Rd, Portchester – 16 age restricted flats) work started on site in December 2021 costing around £3.0m and it was officially opened in June 2023
- Capella Close (Stubington Lane – 11 shared ownership houses with average share purchased of 40%) project circa £2.5M has been completed and all but one of the units have been sold generating capital receipts of over £1.2m.
- Proposed redevelopment of Assheton Court in Portchester which is a sheltered housing scheme looking to provide 60 sheltered flats replacing the dated building that had 33 units.
- Ophelia Court which is another shared ownership development of 9 properties. Project cost circa £2.5m with almost 20% coming from grant.

In referring to the Council's consultation portal, Let's Talk Fareham, the Executive Leader was pleased to note that there has been more than double the number of respondents compared to last year.

The consultation on the proposed budget saw 76% of respondents agreeing that it is reasonable to increase Council Tax by 3% for 2024/25, with the highest priority being identified to explore new opportunities to generate income. Meanwhile 70% of respondents see it as reasonable for Council Tax to increase by up to 5% in future years.

The Executive Leader stated that he was pleased to be able to present the budget which maintains the support of residents.

The gross budget for 2024/25 will see the Council spend almost £53 million with a net budget totalling £13.2 million and is almost £1.4 million more than the base budget for the current year.

Each year, in recognition of the economic conditions at the time, the Council determines how the budget should be prepared for the following year. The Medium-Term Finance Strategy was considered in last month and clear budget setting principles were determined as a result. These key principles are the basis for preparing the General Fund Revenue budget for 2024/25.

The Executive Leader stated that fundamentally and, most importantly, the budget must be and is balanced, that is to say there is sufficient income to meet planned costs. Secondly, the budget must be sustainable, providing sufficient flexibility to respond to changing needs and demands in the future. And, just as importantly, The Council needs to be confident that the budget is robust, providing sufficient resources to fulfil its pledges, targeting resources where they are most needed.

Where spending pressures are known, they have been fully allowed for in the budget, and the sources of income to pay for the services have been carefully estimated to reflect a realistic position. Savings and opportunities have been built into the budget but only those which are secured have been included, providing a high degree of certainty, and limiting the risk of a budget deficit in the year. This is a strong position, providing certainty for customers, employees and ourselves that the Council can continue with the level and quality of services that it has delivered since the current administration took control.

The Executive Leader stated that, despite receiving one of the lowest levels of Government support in the country and taking account of the impact of the unprecedented economic climate, it has been possible to set a net budget of £13.2 million for 2024/25. With funding from business rates and government grants considered, the sum of £8,212,761 must be raised from Fareham's Council taxpayers.

Fareham's Council Tax base for 2024/25 is 44,188.9 which shows an increase of 50 band D equivalent properties over the 2023/24 figure. This is along with around 2,500 properties receiving assistance through the council tax support scheme. Dividing the amount to be raised from taxpayers by the tax base gives a Council Tax for band D properties of £185.86. So, with Fareham's proportion of the council tax rising £5.40 this year it remains a small element of the overall increase of £90.80 for 2024/25.

The Executive Leader stated that the Police and Crime Commissioner will be increasing their share of council tax by £10 with the Hampshire Fire showing an increase of £2.41.

The biggest increase will be from the County Council which has agreed to raising council tax by the maximum allowed. The increase will be 2% for the social care precept and 3% going on ordinary council tax which gives a total increase of 5% or a £72.99 rise for a band D property.

The Executive Leader stated that times remain tough and that he was therefore in a position where he must say to customers that Council Tax for Fareham will need to increase in line with government guidelines. In real terms, this is still below the level it would have been if the Council had increased Council Tax in line with inflation each year. He announced that the overall position for Fareham's taxpayers will be:

Fareham Borough Council £185.86
Hampshire County Council £1,533.24
Police and Crime Commissioner £261.46
Hampshire Fire and Rescue £82.84

This gives a total for a Band D property of £2,063.40, which represents a 4.6% increase over the 2023/24 figure.

The Executive Leader stated that he had outlined a budget that delivers all services that the Council would want to deliver plus much more, plus a proposed capital programme for the next 5 years, valued at £59 million.

The Executive Leader confirmed that although the Council has seen further spending and funding pressure this year, going forward a balanced budget has been set albeit with using an element of reserves. In line with Central Government policy Council Tax has been increased. The Executive Leader stated that, considering the demand on services and funding limitations from central government, it is a remarkable achievement to have kept council tax so low and that even with a £5.40 increase Fareham will still have one of the lowest council tax band D charges in the country. The Executive Leader advised that Fareham has most properties in Band C and here the Council Tax for two adults will be £165.21 which is an increase of just over a penny a day for services.

On that note, The Executive Leader asked Members, to approve the recommendations set out under Item 14(3) on the agenda, stating that this makes Fareham's Council Tax one of the lowest "district" rates in England, which is quite impressive when considering that, at the same time, the majority of councils will receive more Government support per dwelling than Fareham.

The Executive Leader ended his budget presentation by saying thank you to all Members and to Fareham Borough Council staff for their dedication and hard work during his time as Executive Leader over the past 25 years and indeed over his 38 years as a Councillor and stating that it had been a pleasure to work with all concerned.

Having been duly proposed by Councillor S D T Woodward and seconded by Councillor S D Martin, the Mayor opened the item for debate.

The Leader of the Liberal Democrat Group, Councillor Ms C Bainbridge addressed the Council. In doing so she raised two amendments to the budget which were tabled at the meeting as Budget Amendment 1, referring to the Housing Revenue Account (see item 15 below) and Budget Amendment 2, as appended to these minutes.

Having been duly seconded by Councillor D J Hamilton and following a debate on the amendment, Budget Amendment 2 was declared lost with 4 voting in favour, 23 against and no abstentions.

Returning to the substantive motion and on it being put to the meeting, the recommendations (a) to (f), as outlined on page 5 of the agenda, were declared carried unanimously.

(Councillors Ms Bainbridge, Bastable, Mrs Bayford, Bird, Birkett, Mrs Bryant, Ms Burton, Mrs Clubley, Daniells, Davis, Dugan, Mrs Ellis, Foot, Gregory, Hamilton, Miss Harper, Mrs Hayre, Mrs Hockley, Ingram, Mrs Mandry, Martin, Ms Needham, Nother, Ms Pankhurst, Mrs Trott, Walker, Mrs Walker and Woodward voting in favour)

RESOLVED that the recommendations of the Executive be accepted and accordingly, the Council approves:

- (a) the capital programme and financing of £58,678,500;
 - (b) an overall revised net revenue budget for 2023/24 of £12,376,100;
 - (c) a net revenue budget for 2024/25 of £13,292,600;
 - (d) a council tax for Fareham Borough Council for 2024/25 of £185.86 per band D property, which represents a £5.40 per year increase when compared to the current year and is within referendum limits;
 - (e) an unchanged Council Tax Support scheme for 2024/25; and
 - (f) that the Council continues to disregard the whole of any incomes prescribed in the Housing Benefit (War Pensions Disregards) Regulations 2007 and the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012.
- (3) Council Tax 2024/25 for Fareham Borough Council, Hampshire County Council, Hampshire Police and Crime Commissioner and Hampshire Isle of Wight Fire and Rescue Authority

The Council considered information tabled at the meeting: a schedule showing the formal calculations for setting the Council Tax and a graphical breakdown of Council tax rates, as attached to these minutes.

Having been duly proposed by Councillor S D T Woodward and seconded by Councillor S D Martin, on the recommendations being put to the meeting, they were declared CARRIED unanimously with 28 voting in favour, none voting against and none abstaining.

(Councillors Ms Bainbridge, Bastable, Mrs Bayford, Bird, Birkett, Mrs Bryant, Ms Burton, Mrs Clubley, Daniells, Davis, Dugan, Mrs Ellis, Foot, Gregory, Hamilton, Miss Harper, Mrs Hayre, Mrs Hockley, Ingram, Mrs Mandry, Martin, Ms Needham, Nother, Ms Pankhurst, Mrs Trott, Walker, Mrs Walker and Woodward voting in favour,)

RESOLVED that the Council:

- (1) notes that on 23 February 2024 the Council calculated the Council Tax Base 2024/25 for the whole Council area as 44,188.9 [Item T in the formula in Section 31B(1) of the Local Government Finance Act 1992, as amended (the "Act")]
- (2) calculates that the Council Tax requirement for the Council's own purposes for 2024/25 is £8,212,761
- (3) notes that the following amounts be calculated by the Council for the year 2024/25 in accordance with Sections 31 to 36 of the Act:-
 - (a) £55,826,500 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £47,613,739 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £8,212,761 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £185.86 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.
 - (e) £0.00 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
 - (f) £185.86 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- (4) notes that the County Council and the Police and Crime Commissioner have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
- (5) notes that the Fire Authority will meet on 27 February 2024 and after that meeting will issue their precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

Should the figures change from the draft report then the Council agrees to delegate authority to the Section 151 Officer to amend the

Council Tax for 2024/25 in the event that any of the precepting authorities change their precept calculation from that expected and reported to the Council meeting.

- (6) that the Council, in accordance with Sections 30 and 38 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2024/25 for each part of its area and for each of the categories of dwellings.

| Valuation Bands | | | | | | | |
|--|----------|----------|-----------------|----------|----------|----------|----------|
| Fareham Borough Council | | | | | | | |
| A | B | C | D | E | F | G | H |
| £ | £ | £ | £ | £ | £ | £ | £ |
| 123.91 | 144.56 | 165.21 | 185.86 | 227.16 | 268.46 | 309.77 | 371.72 |
| Hampshire County Council | | | | | | | |
| A | B | C | D | E | F | G | H |
| £ | £ | £ | £ | £ | £ | £ | £ |
| 874.88 | 1,020.69 | 1,166.51 | 1,312.32 | 1,603.95 | 1,895.57 | 2,187.20 | 2,624.64 |
| Hampshire County Council – Adult Social Care | | | | | | | |
| A | B | C | D | E | F | G | H |
| £ | £ | £ | £ | £ | £ | £ | £ |
| 147.28 | 171.83 | 196.37 | 220.92 | 270.01 | 319.11 | 368.20 | 441.84 |
| Police and Crime Commissioner for Hampshire | | | | | | | |
| A | B | C | D | E | F | G | H |
| £ | £ | £ | £ | £ | £ | £ | £ |
| 174.31 | 203.36 | 232.41 | 261.46 | 319.56 | 377.66 | 435.77 | 522.92 |
| Hampshire Fire and Rescue Authority | | | | | | | |
| A | B | C | D | E | F | G | H |
| £ | £ | £ | £ | £ | £ | £ | £ |
| 55.23 | 64.43 | 73.64 | 82.84 | 101.25 | 119.66 | 138.07 | 165.68 |
| Aggregate of Council Tax Requirements | | | | | | | |
| A | B | C | D | E | F | G | H |
| £ | £ | £ | £ | £ | £ | £ | £ |
| 1,375.61 | 1,604.87 | 1,834.14 | 2,063.40 | 2,521.93 | 2,980.46 | 3,439.01 | 4,126.80 |

- (7) that in accordance with the set of principles set by the Department for Levelling Up, Housing and Communities for the year, it is determined that the relevant basic amount of council tax for 2024/25 is not excessive.

15. HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL PLANS 2024/25

Having been duly proposed by Councillor S D T Woodward and seconded by Councillor S D Martin, the Mayor opened the item for debate.

The Leader of the Liberal Democrat Group, Councillor Ms C Bainbridge addressed the Council. In doing so she raised an amendment to the budget which was tabled at the meeting as Budget Amendment 1 and appended to these minutes.

Having been duly seconded by Councillor D J Hamilton and following a debate on the amendment, Budget Amendment 1 was declared lost with 4 voting in favour and 24 voting against with no abstentions.

(Councillors Ms Bainbridge, Hamilton, Nother and Mrs Trott voting in favour and Councillors Bastable, Mrs Bayford, Bird, Birkett, Mrs Bryant, Ms Burton, Mrs Clubley, Daniells, Davis, Dugan, Mrs Ellis, Foot, Gregory, Miss Harper, Mrs Hayre, Mrs Hockley, Ingram, Mrs Mandry, Martin, Ms Needham, Ms Pankhurst, Walker, Mrs Walker and Woodward voting against).

Returning to the substantive motion and on having been put to the meeting, the recommendations of the Executive, as outlined on page 5 of the agenda were CARRIED unanimously with 28 voting in favour, none voting against and none abstaining.

(Councillors Ms Bainbridge, Bastable, Mrs Bayford, Bird, Birkett, Mrs Bryant, Ms Burton, Mrs Clubley, Daniells, Davis, Dugan, Mrs Ellis, Foot, Gregory, Hamilton, Miss Harper, Mrs Hayre, Mrs Hockley, Ingram, Mrs Mandry, Martin, Ms Needham, Nother, Ms Pankhurst, Mrs Trott, Walker, Mrs Walker and Woodward voting in favour)

RESOLVED that the recommendations of the Executive made at its meeting on 05 February 2024 in respect of the Housing Revenue Account Budget and Capital Plans 2024/25 be accepted and, accordingly, the Council agrees that:

- (a) rents be approved for Council Dwellings as set out in paragraph 27 with effect from 1 April 2024;
- (b) rents for Council garages be increased by 7.7% with effect from 1 April 2024;
- (c) the revised budget for 2023/24 be approved;
- (d) the base budget for 2024/25 be approved; and
- (e) the Fees and Service Charges at Appendix E be approved.

16. TREASURY MANAGEMENT STRATEGY AND INVESTMENT STRATEGY 2024/25

Having been duly proposed by Councillor S D T Woodward and seconded by Councillor S D Martin, and on having been put to the meeting, the

recommendations of the Executive made at its meeting on 05 February 2024, contained at item 14(2) of the agenda were accepted.

RESOLVED that the Treasury Management Strategy and Investment Strategy 2024/25 be approved.

17. CAPITAL PROGRAMME AND CAPITAL STRATEGY 2024/25

Having been duly proposed by Councillor S D T Woodward and seconded by Councillor S D Martin and on having been put to the meeting, it was agreed that the recommendations of the Executive at its meeting on 08 January 2024 contained at item 9(1) of the agenda be accepted.

RESOLVED that the Capital Programme and Capital Strategy 2024/25 be approved.

18. APPROVAL OF PAY POLICY STATEMENT 2024/25

Councillor M J Ford returned to the Chamber for this item.

Having been duly proposed by Councillor S D T Woodward and seconded by Councillor S D Martin, and on having been put to the meeting, it was agreed that the recommendations of the Executive made at its meeting on 08 January 2024 be accepted.

RESOLVED that the updated Pay Policy Statement 2024/25, as annexed to the Medium-Term Finance Strategy, be approved.

19. COUNCIL TAX LONG TERM EMPTY AND SECOND HOME PREMIUM CHARGES

The Council received a report by the Chief Executive Officer which recommended the adoption of discretionary changes to Council Tax premiums on long term empty properties and second homes.

Having been duly proposed by Councillor S D T Woodward and seconded by Councillor S D Martin and, on having been put to the meeting, the recommendations (a) to (d) as detailed in the report were agreed.

RESOLVED that the Council agrees:

- (a) a new 100% premium on second homes and restricted second homes after 12 months from 01 April 2025;
- (b) an earlier 100% premium for Long Term Empty Properties which have been empty and unfurnished for a period between 1 and 5 years (previously a period between 2 and 5 years);
- (c) the Council's Section 151 Officer be granted delegated power to waive these premiums or alter the policy in exceptional circumstances after

consultation with the Executive portfolio holder with responsibility for Local Tax Collection; and

(d) an update to the Council Tax Discounts, Exemption and Premiums Policy, as detailed at Appendix A to the report.

20. PROPOSED CHANGE OF DATE OF APRIL COUNCIL MEETING

RESOLVED that the date of the April Council meeting be moved from the scheduled date of Thursday 18 April 2024 to Tuesday 09 April 2024 to coincide with the 50th Anniversary of the first Council meeting of Fareham Borough Council.

21. APPOINTMENTS TO COMMITTEES

There were no changes to appointments to committees.

(The meeting started at 5.00 pm
and ended at 7.36 pm).

..... Chairman

..... Date

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 4 March 2024

Venue: Collingwood Room - Civic Offices

Present:

S D T Woodward, Policy and Resources (Executive Leader)
I Bastable, Streetscene
Miss J Burton, Health & Public Protection
D G Foot, Housing
Mrs S M Walker, Leisure and Community

Also in attendance:



1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor S D Martin, Executive Member for Planning and Development.

2. MINUTES

RESOLVED that the minutes of the meeting of the Executive held on 05 February 2024 be confirmed and signed as a correct record.

3. EXECUTIVE LEADER'S ANNOUNCEMENTS

There were no Executive Leader announcements.

4. DECLARATIONS OF INTEREST

There were no declarations of Interest made at this meeting.

5. PETITIONS

The Assistant Director (Democracy) confirmed that an online petition has been submitted on the Council's website in respect of the closure of the Ashcroft Centre. The petition asks that the Council step in and work with Hampshire County Council, Hampshire Cultural Trust, the Ashcroft Arts Centre and residents in finding a solution to keep the Ashcroft Arts Centre open.

The petition closed on 2 March with 303 signatures.

It was confirmed that Trafalgar Entertainment, has begun dialogue with the Ashcroft Arts Centre to ensure that community groups and organisations, who wish to move across to Fareham Live, can be accommodated when the Ashcroft Centre closes later this year. These discussions are taking place as the intention for Fareham Live has always been to provide a community hub with a well-balanced programme of events.

Hampshire County Council's consultation on the provision of future services is currently running and closes on 31 March. The results of this petition will be made known to the Culture, Communities and Strategic Programmes Lead Officer at the County as part of that consultation.

The Executive Member for Leisure & Community will write to the lead petitioner to confirm that action and to explain the situation with regard to Fareham Live and the Ashcroft Arts Centre closure.

6. DEPUTATIONS

A deputation was received in respect of item 10(2) on the agenda from Claire Powell, local business owner and lead petitioner of the petition requesting that parking at Middle Road car park, Park Gate be extended to 3 Hours.

7. REFERENCES FROM OTHER COMMITTEES

Health & Public Protection Scrutiny Panel - 24 January 2024

Minute 7 – Petition - Middle Road car park, Park Gate

The Panel considered a report by the Head of Environmental Health in respect of a petition received requesting that the 2-hour maximum stay at Middle Road car park, Park Gate be extended.

A deputation was received in respect of this item from the Lead Petitioner, Claire Powell.

At the invitation of the Chairman, Councillor I J Bastable, ward member for Parkgate, addressed the Panel on this item.

In considering this item the Panel felt that too big an increase in the length of the maximum stay in the car park would encourage parking by people working in the District Centre and people parking and travelling on elsewhere to work. This would create over demand for parking spaces and have an impact on businesses that rely on a quick customer turnaround such as the convenience stores, bakery and card shop.

The Panel recognised however that some of the businesses in the District Centre such as the hairdressers, the estate agent and the funeral parlour deliver services that create a genuine need for their customers to park for longer than 2 hours. Members therefore felt that the increase in maximum stay to 3 hours would strike a balance between the different needs of the businesses and would not be long enough to create over occupancy in the car park.

RESOLVED that the Health and Public Protection Scrutiny Panel recommends to the Executive that the maximum stay in Middle Road car park be increased from 2 hours to 3 hours.

This was discussed at item 10(2) on the agenda.

Minute 9 – Air Quality Update

The Panel received a report by the Head of Environmental Health which provided members with an air quality update and a review of Gosport Road and Portland Street Air Quality Management.

The Panel discussed how, with the Air Quality Management areas being revoked, the Council will be aware if air quality objectives for different pollutants are unlikely to be achieved. Members were advised that there will still be monitoring tubes around the Borough which will measure levels of pollutants. Members of the public with concerns about excessive levels in a particular area can also request that monitoring take place. Going forward, the Council will also be required to implement an Air Quality Strategy next year which will cover in detail how the Council will manage Air Quality across the Borough.

RESOLVED that the Health and Public Protection Scrutiny Panel recommends to the Executive that the two AQMA's be revoked by approving the Order as Scheduled at Appendix A to the draft report to be considered by the Executive at the meeting scheduled to take place on 04 March 2024.

This was discussed at item 10(1) on the agenda.

Daedalus Scrutiny Panel - 21 February 2024

Minute 6 - Daedalus Vision and Outline Strategy – 2024 Update: Progress and Next Steps

The Panel considered a report by the Director of Planning and Regeneration on the Daedalus Vision and Outline Strategy, which provided an update on progress made to date, and the next steps for the strategy.

Members all agreed that the Daedalus 2024 Update was a fantastic 'brochure' document which highlighted the positive progress that has been made at Daedalus to date. They were keen for Officers to ensure that this is well publicised as they felt that there is a lack of public knowledge of all of the facilities that are available on the site.

The Chairman addressed the Panel and suggested that a recommendation is made to the Executive that reference is made in the Next Steps section of the Daedalus 2024 Update which highlights the key continued role of the general aviation sector at Solent Airport, alongside work to attract other aviation sectors. In particular the published Government policy on Flightpath to the Future; a Strategic Framework for the Aviation Sector was seen as highly relevant to Solent Airport as the policy focuses on how local government and industry can work together to deliver a successful aviation for the future.

At the invitation of the Chairman, Councillor S D T Woodward, Executive Member for Policy and Resources, addressed the Panel on this item. He informed members that the Council is a member of the Strategic Aviation Special Interest Group which is made up of local authorities and is a forum for them to discuss strategic aviation policies and major issues.

Councillor Needham enquired as to whether there are any opportunities for commercial flights at Daedalus in the future. Councillor Woodward addressed the Panel to confirm that this could be possible in the future, firstly however they need to install both the Aeronautical Ground Lighting and the Performance Based Navigation system, which will allow pilots to be able to see where to land their aircrafts and will provide certainty that they will always be able to land despite poor weather conditions.

RESOLVED that: -

- (i) The Panel recommends that the Executive add an additional reference in the Next Steps section of the Daedalus 2024 Update which highlights the key continued role of the general aviation sector at Solent Airport.; and

- (ii) Recommends that the Executive endorse the recommendations set out in its report at its meeting on 4 March 2024.

This was discussed at item 11(1) on the agenda.

8. LEISURE AND COMMUNITY

(1) Padel Tennis Proposal

RESOLVED that the Executive considered the proposal and agrees:

- (a) subject to any representations received following statutory advertisement and subject to planning approval and any necessary assessments, to agree in principle to the disposal of 1500 sqm of public open space for a 4-court padel tennis centre at Park Lane Recreation Ground as shown on the map marked Appendix A and to agree to the financial terms as set out in the confidential Appendix B to the report;
- (b) to authorise the Head of Asset Management to advertise the proposed disposal of above public open space for two consecutive weeks in a local newspaper circulating in the locality in accordance with the requirements of s123 Local Government Act 1972 (as amended) and to approve the disposal, subject to no representations being received. If representations are received, to note that a further report will be presented to the Executive for determination and for a final decision to be made as to the disposal;
- (c) subject to the above, to delegate authority to the assistant Director (Democracy), following consultation with the Executive Member for Leisure and Community, to agree the terms of the disposal as set out in the report including the Heads of Terms and to enter in to contractual and all necessary arrangements to give effect to the proposals in the report if there are no representations from the disposal of the open space; and
- (d) in the event of there being representations, to note that a further report will be presented to the Executive.

9. STREETSCENE

(1) Introducing Simpler Recycling in Fareham

RESOLVED that the Executive:

- (a) confirms this Council's commitment to implementing the proposed Environment Act 2021 Recycling Regulations to deliver significant improvements to our waste and recycling services and reduce our impact on the environment as cost effectively as possible;
- (b) agrees that £970,000 be added to the Capital Programme for the introduction of a food waste collection service across the Borough;
- (c) subject to the outcome of the current analysis of the optimal collection approach to dry mixed recyclables, agrees to assert that this Council's preferred option is a co-mingled recycling collection service collecting a

wider range of materials and that Hampshire County Council be advised accordingly; and

- (d) agrees that future detailed reports on additional recycling collection services, trade waste services and the introduction of a food waste collection service be brought forward once the Regulations are published.

10. HEALTH AND PUBLIC PROTECTION

- (1) Air Quality Update and Review of the Gosport Road Air Quality Management areas

The comments of the Health and Public Protection Scrutiny Panel were taken into account in considering this item.

RESOLVED that the Executive approves the Revocation of the two Air Quality Management Areas as detailed in the report.

- (2) Petition regarding car parking at Middle Road car park, Park Gate

A deputation was received in respect of this item from Claire Powell, local business owner and lead petitioner of the petition requesting that parking at Middle Road car park, Park Gate be extended to 3 Hours.

The comments of the Health and Public Protection Scrutiny Panel were taken into account in considering this item. In doing so, the Executive expressed concern about making further changes to the parking restrictions, given the history of amendments made, as set out from paragraph 7 of the report, which were made in response to requests from the local traders.

In presenting the item, the Executive Member for Health & Public Protection proposed a compromise of introducing a new Traffic Regulation Order of a two hour time limit (with no return) between the hours of 8am and 6pm. This would, in effect, provide unrestricted parking from 4pm until 8am.

In considering the amendment, the Executive concluded that it would not agree with the recommendation of the Scrutiny Panel on this occasion due to new information coming forward regarding the parking habits of current customers using the car park.

RESOLVED that the Executive agrees:

- (a) to maintain the current two hour maximum stay period at Middle Road Car Park, Park Gate, having considered the petition and the recommendation from the Health and Public Protection Scrutiny Panel on 24 January 2024; and
- (b) to authorise the Executive Member for Health and Public Protection to approve the statutory representation process and subsequent decision on an amendment to the Traffic Regulation Order of a two hour time limit (with no return within 4 hours) between the hours of 8am and 6pm.

11. POLICY AND RESOURCES

- (1) Daedalus Vision and Outline Strategy - 2024 Update: Progress and Next Steps

The comments of the Daedalus Scrutiny Panel were taken into account in considering this item.

RESOLVED that the Executive:

- (a) considered the progress made in delivering the adopted Vision and Outline Strategy for Daedalus;
- (b) agrees the next steps identified in the 2024 Update; and
- (c) requests Officers to undertake a range of actions to publicise the Council’s continued delivery progress and next steps.

- (2) Citizen of Honour Nominations 2024

RESOLVED that the Executive agrees that:

- (a) no more than two candidates are selected, from the nominations attached at Appendix A to the report, to be formally recognised as Citizens of Honour 2024;
- (b) no more than one candidate is selected from the nominations as attached at Appendix B to the report, to be formally recognised as a Young Citizen of Honour (under 18) 2024; and
- (c) candidates 1 and 5 be selected to receive the annual Citizen of Honour and candidate 3 be selected to receive the Young Citizen of Honour (under 18) Awards 2024.

(The meeting started at 6.00 pm and ended at 6.30 pm).

..... Chairman

..... Date

FAREHAM

BOROUGH COUNCIL

Minutes of the Executive

(to be confirmed at the next meeting)

Date: Monday, 18 March 2024

Venue: Collingwood Room - Civic Offices

Present:

S D T Woodward, Policy and Resources (Executive Leader)
I Bastable, Streetscene
Miss J Burton, Health & Public Protection
D G Foot, Housing
S D Martin, Planning and Development
Mrs S M Walker, Leisure and Community

Also in attendance:



1. APOLOGIES FOR ABSENCE

There were no apologies given for this meeting.

2. MINUTES

RESOLVED that the minutes of the meeting held on 04 March 2024 be confirmed and signed as a correct record, subject to the correction of minute 10(2)(b) which should have the words “within 4 hours” inserted after”(with no return).

3. EXECUTIVE LEADER'S ANNOUNCEMENTS**TRULY AFFORDABLE HOUSING**

Over the last few years, Fareham Borough Council has started, completed and started new projects that have and will, collectively provide approaching 200 homes for those residents who are most in need of truly affordable housing at a cost of £30m funded through Housing Revenue Account capital development spend, borrowing, use of right to buy (i.e. 1-4-1) receipts, and supported by nearly £3.5m in grant funding from Homes England. Some examples include Oak Tree Close (5), Hampshire Rose (18), Sir Randal Cremer House (16), Capella Close (11), Queen's Road (2), Arundel Drive (2), Ophelia Court (9), Bellfield (1), Assheton Court (60), Birks – purchase completed today (circa 20).

In addition, acquisitions and conversions have enabled 14 new emergency and move-on accommodation spaces to be provided and there are more acquisitions in the active pipeline to really boost the provision further in the short-term including one on this evening's agenda.

Looking further ahead, Fareham Housing sites have been allocated in the Council's Local Plan, thereby providing a pipeline of sites for the years ahead, including sites that will regenerate older Council Housing stock including Dore Avenue, Wynton Way, Menin House, Redoubt Court and land at Fareham Park such as Henry Court Drive.

Alongside our own direct delivery, the Housing and Planning teams have continued to negotiate and secure hundreds of new affordable homes that will be provided by developers as part of their planning obligations. Other affordable housing providers also continue to invest in providing new affordable homes in the Borough.

4. DECLARATIONS OF INTEREST

There were no declarations of interest made at this meeting.

5. PETITIONS

There were no petitions submitted at this meeting.

6. DEPUTATIONS

There were no deputations made at this meeting.

7. REFERENCES FROM OTHER COMMITTEES

Planning and Development Scrutiny Panel – 14 March 2024

Minute 8 - Welborne Delivery Update

The Panel received a report from the Director of Planning and Regeneration on an Executive report detailing the progress in the delivery of the Welborne Garden Village since July 2022.

RESOLVED that the Planning and Development Scrutiny Panel: -

- (a) notes the content of the Executive Report and the Building Welborne Beautiful brochure attached at Appendices A to the Executive report; and
- (b) advises the Executive at their meeting on 18 March 2024 of the Panel's full support for publication of the Building Welborne Beautiful document as a comprehensive summary of work undertaken by the Council over many years to enable the delivery of Welborne Garden Village.

This item was considered at item 9(1) of the agenda.

Minute 7 – Environment Update

The Panel received a report from the Director of Planning and Regeneration to allow Members of the Planning and Development Scrutiny Panel to consider the Environment Update Executive report and the 'Fareham's Greener Future' document before being taken to the Executive on the 18 March 2024.

At the invitation of the Chairman, Councillor S D Martin, Executive Member for Planning and Development addressed the Panel on this item.

At the invitation of the Chairman, Councillor Ms C Bainbridge addressed the Panel on this item.

Members of the Panel discussed the branding of the proposed Fareham's Greener Future publication, and questioned whether it was appropriate for the document. They felt that a separate branding from this publication (and also the Environment Strategy going forward) which focused more specifically on the environment would be more appropriate than using the same graphics as that used for the Corporate Strategy.

RESOLVED that the Planning and Development Scrutiny Panel:-

- (a) note the contents of the Executive Report; and
- (b) advises the Executive at their meeting on 18 March 2024 of the Panel's full support for the publication of the Fareham's Greener

Future document as a comprehensive summary of the full range of work undertaken by the Council on both carbon reduction/management (principally focused on energy-related projects) and also the service delivery and projects seeking to improve the local natural environment;

- (c) requests the Executive to consider amending the branding for the Fareham's Greener Future document to focus more specifically on the environment; and
- (d) advises the Executive of Panel's support for the preparation of an Environmental Strategy going forward.

This item was considered at Agenda item 9(2)

Planning Committee – 13 March 2024

Minute 6 - Planning Designation Action Plan

The Committee considered a report by the Director of Planning and Regeneration concerning an update on the Planning Performance Monitoring Action Plan.

The Committee's attention was drawn to the Update Report which contained the following information: -

On the 7 March 2024, the Department for Levelling Up, Homes and Communities published the statistics for the 'Quality of decision making' for the Assessment period 1 April 2021 to 31 March 2023. The statistics confirm that 2 of the Council's total number of decisions on major applications made during the assessment period were overturned at appeal, which represents 4.2%.

Amendments to the table at paragraph 20 of the Executive Briefing paper:

The number of major applications considered by the Council between 1 April 2020 and 31 March 2021 should read 22 in place of 20.

The number of major applications considered by the Council between 1 April 2021 and 31 March 2022 should read 23 in place of 25.

The Head of Planning provided a further verbal update in respect of 'Quality of Decision Making' on non-major applications. The Planning Committee were advised that the Department for Levelling Up, Homes and Communities' latest published statistics for the 'Quality of decision making' on non-major applications showed that 0.2% of the Council's total number of decisions made during the assessment period were overturned at appeal.

Since the Council was designated in December 2023, no major planning applications have been submitted directly to the Planning Inspectorate.

Councillor Mrs Walker stated that it would be helpful if Officer reports made it clear where proposals constituted major planning applications. The Head

of Planning confirmed that this will be provided for future reports to the Committee.

RESOLVED that the Planning Committee: -

- (a) notes the content of the Executive report and the draft Planning Designation Action Plan attached as Appendices A and B to this report; and
- (b) confirms that they have no comments to pass on to the Executive at its meeting on 18 March 2024.

This item was considered at item 9(3) on the agenda.

8. HOUSING

(1) Affordable Housing at Welborne Garden Village

RESOLVED that the Executive:

- (a) notes the content of the report;
- (b) agrees that the proposed Joint Venture model is not pursued by the Council; and
- (c) agrees that should Welborne Land Limited wish to consider discussion on the Council's potential involvement as owner/manager of the affordable homes, further discussion takes place on the potential for a Development Agreement approach through the Council's Housing Revenue Account, and thereafter and as necessary, further work be undertaken to consider the legal and financial implications to the Council. Noting that if this were to progress positively then a further report will be brought back to the Executive before any agreements are entered into.

(2) Multi-dwelling unit acquisition for affordable housing purposes

RESOLVED that the Executive:

- (a) agrees the principle of the acquisition for the value set out in the Confidential Appendix to the report, subject to the completion of due diligence by Officers; and
- (b) delegates authority to the Director of Housing, following consultation with the Executive Member for Housing, to agree the final terms of the purchase and to complete the acquisition.

9. PLANNING AND DEVELOPMENT

(1) Welborne Delivery Progress Update

The comments of the Planning and Development Scrutiny Panel were taken into account in considering this item.

RESOLVED that the Executive:

- (a) considered the progress made on the delivery of the Welborne Garden Village; and
- (b) requests that Officers undertake a range of actions to publicise the 'Building Welborne Beautiful' publication which sets out the delivery progress and next steps.

(2) Environment Update

The comments of the Planning and Development Scrutiny Panel were taken into account in considering this item. The request from the Panel to consider amending the branding for the 'Fareham's Greener Future' publication was considered and rejected as it was felt that the branding and messaging is at an appropriate level.

RESOLVED that the Executive approves:

- (a) the preparation of an Environment Strategy to guide decision making and priority projects going forward;
- (b) requests that Officers undertake a range of actions to publicise the 'Fareham's Greener Future' publication which sets out the delivery progress and next steps; and
- (c) delegates authority to the Director of Planning and Regeneration following consultation with the Executive Member for Planning and Development to make any necessary minor amendments and updates to the publication on 'Fareham's Greener Future'.

(3) Planning Performance Monitoring Update

The comments of the Planning Committee were taken into account in considering this item.

RESOLVED that the Executive:

- (a) notes the progress made in respect of the quality of decision-making on planning applications;
- (b) approves the Action Plan, having regard for any comments received from Members of the Planning Committee following their consideration of the draft Action Plan on the 13 March;
- (c) requests that Officers submit the Action Plan to the Department for Levelling Up, Housing and Communities for approval; and
- (d) delegates authority to the Director of Planning and Regeneration, following consultation with the Executive Member for Planning and Development and the Chairman of the Planning Committee, to make amendments to the Action Plan in response to any comments made by the Department for Levelling Up, Housing and Communities on the Action Plan.

10. POLICY AND RESOURCES

- (1) Renewable Energy Scheme: Hook Recreation Ground Solar Photovoltaic (PV) Development Feasibility

RESOLVED that the Executive approves a budget of £130,000 for a grid connection application and for a deposit to secure the connection should an acceptable offer be received.

- (2) Solent Enterprise Zone - Retained Business Rates and Infrastructure Investment Plan

RESOLVED that the Executive agrees:

- (a) to delegate authority to the Director of Planning and Regeneration to enter into a Memorandum of Understanding for the use of Retained Business Rates growth generated on the Solent Enterprise Zone as set out in Appendix A to the report, noting that minor revisions are likely to be made before completion;
- (b) that the delegation outlined in (a) above is only to be exercised following consultation with the Executive Member for Policy and Resources and the Council’s Section 151 Officer; and
- (c) that the current Infrastructure Investment Plan for that part of the Solent Enterprise Zone falling within Fareham Borough be added to the Council’s capital programme.

- (3) Town Centre Regeneration Strategy and Action Plans - Options

RESOLVED that the Executive agrees the Optioneering Report and the shortlisted interventions, as set out in Appendix A to the report, to continue through to detailed evaluation.

- (4) Updated Complaints Policy

RESOLVED that the Executive agrees the updated Council’s Complaints Policy, as attached at Appendix C to the report.

(The meeting started at 6.00 pm and ended at 6.38 pm).

..... Chairman

..... Date

FAREHAM

BOROUGH COUNCIL

SCHEDULE OF EXECUTIVE DECISIONS TAKEN UNDER URGENCY PROVISIONS

The Executive Leader is required to submit a quarterly report to Council on the decisions taken within the previous three months under the provisions for cases of special urgency described in Part 3, Chapter 3 of the Council’s constitution. The report must set out the number of such decisions taken and a summary of the matters in respect of which the decisions were taken.

Since the meeting of the Council held on 23 February 2024, the following decision has been taken under the Council’s urgency provisions.

| | |
|---|--|
| Decision Maker – Executive | 18 March 2024 Decision 2023/24 - 2528 |
| Multi-dwelling unit acquisition for affordable housing purposes | |
| <p>RESOLVED that the Executive:</p> <ul style="list-style-type: none"> (a) agrees the principle of the acquisition for the value set out in the Confidential Appendix to this report, subject to the completion of due diligence by Officers; and (b) delegates authority to the Director of Housing, following consultation with the Executive Member for Housing, to agree the final terms of the purchase and to complete the acquisition. | |

FAREHAM

BOROUGH COUNCIL

Minutes of the Planning Committee

(to be confirmed at the next meeting)

Date: Wednesday, 14 February 2024

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor N J Walker (Chairman)

Councillor I Bastable (Vice-Chairman)

Councillors: D G Foot, M J Ford, JP, Mrs C L A Hockley, S Ingram,
P Nother, Mrs S M Walker and S Dugan (deputising for Miss J
Burton)

Also Present: Councillor Mrs K Mandry (Item 6 (2))



1. APOLOGIES FOR ABSENCE

An apology of absence was received from Councillor Miss J Burton.

2. MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes of the Planning Committee meeting held on 17 January 2024 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman made the following announcement:

“In March 2023, the Planning Committee refused permission for up to 109 dwellings to be built on land at Pinks Hill, Wallington. An appeal was lodged against the Council’s decision and was scheduled to be heard at a public local inquiry in January this year.

On 15th December the appellant advised the Council that “in light of deficiencies in the evidence base”, the appellant was withdrawing the appeal. The appeal was treated as formally withdrawn by the Planning Inspectorate on that date.

At that stage of the appeal process, the Council had incurred considerable cost in terms of legal advice, consultant costs and Fareham Borough Council’s Officer costs. The Council therefore made a formal application to the Planning Inspectorate seeking a full award of costs against the appellant for withdrawing the planning appeal at such a late stage without good reason. The Council argued the actions of the appellant represented unreasonable behaviour and that the appellant should repay the Council’s costs in full in connection with the planning appeal.

By decision letter dated the 26th January, the Planning Inspectorate agreed with the position of this Council and ordered that the appellant pay this Council its appeal costs in full. The Council’s Officers are currently seeking to agree the final level of the cost claim with the appellant.”

4. DECLARATIONS OF INTEREST

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

The Committee received a deputation from the following in respect of the applications indicated and were thanked accordingly.

| Name | Spokesperson representing the persons listed | Subject | Supporting or Opposing the Application | Minute No/ Application No/Page No | Dep Type |
|------|--|---------|--|-----------------------------------|----------|
| | | | | | |

| | | | | | |
|------------------------------|---------------------|---|-------------------|-------------------------------|-------------------------|
| ZONE 2 – 2.30pm | | | | | |
| Mr Bob Marshall | The Fareham Society | LAND WEST OF FAREHAM PARK ROAD – OUTLINE APPLICATION WITH ALL MATTERS RESERVED (EXCEPT ACCESS) FOR THE CONSTRUCTION OF SEVEN DWELLINGS WITH ACCESS FROM FAREHAM PARK ROAD | Opposing | 6(1) P/23/1341/OA Pg 8 | Written |
| Ms Catherine Hester | | -DITTO- | Opposing | -Ditto- | Written |
| Mr Samuel Wright | | -DITTO- | Opposing | -Ditto- | Written |
| Mr Peter Davies | | -DITTO- | Opposing | -Ditto- | Written |
| Mr Adam Constantinou (Agent) | | -DITTO- | Supporting | -Ditto- | In Person 3 mins |
| ZONE 3 – 2.30pm | | | | | |
| Mr Bernard Clarke-Lens | | 53 OLD STREET – VARIATION OF CONDITION (P/07/0742/FP) FOR VEHICULAR ACCESS TO FRONT OF PROPERTY | Opposing | 6(2) P/23/1445/VC Pg 39 | Written |

(1) WRITTEN DEPUTATIONS

The Committee noted the content of the written deputations that had been published on the Council’s website prior to the meeting.

6. PLANNING APPLICATIONS AND MISCELLANEOUS MATTERS INCLUDING AN UPDATE ON PLANNING APPEALS

The Committee noted a report by the Director of Planning and Regeneration on the development control matters, including information on new appeals and decisions.

(1) P/23/1341/OA - LAND WEST OF FAREHAM PARK ROAD FAREHAM

The Committee received the deputations referred to in Minute 5 above.

The Committee's attention was drawn to the Update Report which contained the following information: -

Additional Representations

One further letter of objection has been received raising the following concerns:

- *Increased risk to pedestrians using the footpath;*
- *Ancient woodland located close to the site;*
- *Site is home to various wildlife species;*
- *Should consider previous planning applications on the site;*
- *Publicity was not sufficient.*

The representation does not raise any new material planning considerations and concerns have been addressed within the officer's report.

The Planning Officer also provided a verbal update at the meeting confirming that comments had now been received from Natural England in which they did not raise any objections.

Upon being proposed and seconded the officer recommendation to: -

- (i) GRANT planning permission;
 - (a) Subject to the conditions in the report.

Then

- (ii) DELEGATE authority to the Head of Planning to make any necessary modification, deletion or additions to the proposed conditions.

Was voted on and CARRIED.

(Voting: 7 in favour; 2 against)

RESOLVED that: -

- (i) PLANNING PERMISSION be granted;
 - (a) Subject to the conditions in the report.

Then

- (ii) AUTHORITY BE DELEGATED to the Head of Planning to make any necessary modification, deletion or additions to the proposed conditions.

(2) 53 OLD STREET HILL HEAD

The Committee received the deputation referred to in Minute 5 above.

At the invitation of the Chairman, Councillor Mrs Mandry addressed the Committee on this item.

A proposal was put forward by Councillor Mrs S Walker that the application be approved contrary to the Officer recommendation on the basis that Members find there would be no unacceptable impact on highway safety in accordance with Local Plan Policy TIN2. The proposal was that the application be approved to remove condition 4 of planning permission reference P/07/0742/FP subject to:

- a) all other relevant conditions imposed on the original planning permission reference P/07/0742/FP being reimposed insofar as they are still capable of taking effect; and
- b) an additional condition requiring the new planting shown on the proposed plans to be implemented.

The proposal was seconded and was voted on a CARRIED.
(Voting: 6 in favour)

RESOLVED that PLANNING PERMISSION be granted, subject to: -

- (a) all other relevant conditions imposed on the original permission reference P/07/0742/FP being reimposed insofar as they are still capable of taking effect; and
- (b) an additional condition requiring the planting shown on the proposed plans to be implemented.

(3) Planning Appeals

The Committee noted the information in the report.

(4) UPDATE REPORT

The Update report was circulated prior to the meeting and considered alongside the relevant agenda items.

(The meeting started at 2.30 pm
and ended at 4.05 pm).

..... Chairman

..... Date

FAREHAM

BOROUGH COUNCIL

Minutes of the Planning Committee

(to be confirmed at the next meeting)

Date: Wednesday, 13 March 2024

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor N J Walker (Chairman)

Councillor I Bastable (Vice-Chairman)

Councillors: Miss J Burton, D G Foot, M J Ford, JP, Mrs C L A Hockley,
S Ingram, P Nother and Mrs S M Walker

Also Present: Councillor Mrs K K Trott (Item 7(2))



1. APOLOGIES FOR ABSENCE

There were no apologies of absence.

2. MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes of the Planning Committee meeting held on 14 February 2024 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements made at this meeting.

4. DECLARATIONS OF INTEREST

In accordance with Standing Orders and the Council's Code of Conduct, Councillor I Bastable declared a Personal Interest in item 7(1) – Land East of Brook Lane, in that he has a close friend who lives adjacent to the red line of the application site.

5. DEPUTATIONS

The Committee received a deputation from the following in respect of the applications indicated and were thanked accordingly.

| Name | Spokesperson representing the persons listed | Subject | Supporting or Opposing the Application | Minute No/ Application No/Page No | Dep Type |
|--------------------------|--|--|--|-----------------------------------|------------------------------------|
| | | | | | |
| ZONE 1 – 2.30pm | | | | | |
| Nick Whittington (Agent) | | LAND EAST OF BROOK LANE WARSASH – FULL PLANNING APPLICATION FOR THE CONSTRUCTION OF 113 DWELLINGS, ACCESS FROM BROOK LANE VIA DEVELOPMENT TO THE SOUTH (PERMITTED UNDER P/17/0752/OA AND P/21/0300/RM), PARKING, | Supporting | 7 (1) P/22/1812/FP Pg 23 | In Person 3 Minutes |

| | | | | | |
|----------------------------|--|---|-------------------|-------------------------------|--|
| | | LANDSCAPING, OPEN SPACE AND ASSOCIATED WORKS | | | |
| | | | | | |
| ZONE 2 – 2.30pm | | | | | |
| Robert Tutton | | 12 CLIFTON MEWS FAREHAM – SINGLE STOREY FRONT EXTENSION | Supporting | 7(20 P/24/0053/FP Pg 71 | In Person 3 Minutes |
| ZONE 3 | | | | | |

6. PLANNING PERFORMANCE MONITORING UPDATE AND ACTION PLAN

The Committee considered a report by the Director of Planning and Regeneration concerning an update on the Planning Performance Monitoring Action Plan.

The Committee’s attention was drawn to the Update Report which contained the following information: -

On the 7 March 2024, the Department for Levelling Up, Homes and Communities published the statistics for the ‘Quality of decision making’ for the Assessment period 1 April 2021 to 31 March 2023. The statistics confirm that 2 of the Council’s total number of decisions on major applications made during the assessment period were overturned at appeal, which represents 4.2%.

Amendments to the table at paragraph 20 of the Executive Briefing Paper:

The number of major applications considered by the Council between 1 April 2020 and 31 March 2021 should read 22 in place of 20.

The number of major applications considered by the Council between 1 April 2021 and 31 March 2022 should read 23 in place of 25.

The Head of Planning provided a further verbal update in respect of ‘Quality of Decision Making’ on non-major applications. The Planning Committee were advised that the Department for Levelling Up, Homes and Communities’ latest published statistics for the ‘Quality of decision making’ on non-major applications showed that 0.2% of the Council’s total number of decisions made during the assessment period were overturned at appeal.

Since the Council was designated in December 2023, no major planning applications have been submitted directly to the Planning Inspectorate.

Councillor Mrs Walker stated that it would be helpful if Officer reports made it clear where proposals constituted major planning applications. The Head of

Planning confirmed that this will be provided for future reports to the Committee.

RESOLVED that the Planning Committee: -

- a) Note the content of the Executive report and the draft Planning Designation Action Plan attached as Appendices A and B to this report; and
- b) Confirm that they have no comments to pass onto the Executive at its meeting on 18 March 2024.

7. PLANNING APPLICATIONS AND MISCELLANEOUS MATTERS INCLUDING AN UPDATE ON PLANNING APPEALS

The Committee noted a report by the Director of Planning and Regeneration on the development control matters, including information on new appeals and decisions.

(1) P/22/1812/FP - LAND EAST OF BROOK LANE WARSASH

The Committee received the deputation referred in Minute 5 above.

The Committee's attention was drawn to the Update Report which contained the following information: -

- i) *Satisfactory amended plans received to address minor design/layout matters.*
- ii) *Additional consultation comment received from Highway Authority.*

Hampshire County Council (HCC) – Highways

Amended drawings, a report by i-Transport and a revised Residential Travel Plan have been submitted in response to the Highway Authority's comments made on 21 February 2024. I have the following comments to make on the updated information:

Walking and Cycling/ Travel Plan

The revised application documents confirm that a pedestrian/cycle route will link to the track on the eastern boundary of the application site; this will enhance connectivity to the wider community and provide the potential to improve permeability throughout the entire housing association. The revised Residential Travel Plan (RTP) adequately addresses the points outlined in the Highway Authority's response. It is recommended that the RTP be secured by Section 106 Agreement.

Site Access and Internal Layout

Apart from plot no. 126, vehicular access to the development is to be taken from the housing parcel to the south of the site (ref P/21/0300/RM) via the

recently constructed junction onto Brook Lane. The access arrangement is acceptable to the Highway Authority.

The road layout incorporates the design principles contained within the Department for Transport publication *Manual for Streets*. The layout has been subject to a Stage 1 Road Safety Audit (RSA). The issues outlined in the RSA and raised by the Highway Authority have been satisfactorily addressed. It is the developer's intention that the roads within the development are to be private.

The Site Layout plan indicated a 6m wide shared surface roadway as a potential access to adjacent land within the housing allocation parcel. Additional information provided by the applicant demonstrates that the access corridor would be suitable to accommodate the anticipated level of development.

Traffic Impact/ Mitigation

The Highway Authority is satisfied that the traffic impact of the development can be mitigated against through financial contributions towards highway network improvements. The Technical Note (dated 26 January 2024) provides agreement to make a financial contribution of £482,000 (index linked from 18 March 2018) towards improvements at; Brook Lane/A27 junction, Brook Lane/Lockwood Road junction, Barnes Lane/A27 junction and Brook Lane/Barnes Lane junction.

The supplementary information and amended drawings satisfactorily address the issues previously raised by the Highway Authority, as such the Highway Authority raises no objection to the application subject to the following requirements being secured by Section 106 Agreement and by condition;

- A financial contribution of £482,000 (index linked from 18 March 2018) towards Improvements
 - Residential Travel Plan including associated approval and monitoring fees and security bond/deposit
 - Pedestrian and cycle connections and associated rights of access in perpetuity between the site and the developments to the north/south and to the track on the eastern site boundary.
- iii) Condition 2 to full permission updated to include full list of approved plans/document as follows;
- a) Location Plan - BARG180620 LP.01 A
 - b) Colour Site Plan - CSL-01 BB
 - c) Site Plan - BARG180620 SL.01 Rev BB
 - d) Coloured Streetscene - BARG180620 CSE.01 H
 - e) Coloured Streetscene - CSE.02 G
 - f) Streetscene – BARG180620 SE.01 H
 - g) Streetscene - BARG180620 SE.02 G
 - h) Dwelling Materials Layout - BARG180620 DML.01 M
 - i) Parking Strategy Layout - BARG180620 PSL.01 L
 - j) Electric Sub-Station Floor Plans & Elevations - ESS.01.pe A
 - k) Shed Type 1 Floor Plans & Elevations - SH.01.pe A

- l) Shed Type 2 Floor Plans & Elevations - SH.02.pe A
- m) Street Elevations - BARG180620 SE.01 G
- n) Pergola 2 Bay Floor Plans & Elevations - PER.01.pe A
- o) Pergola Triple Bay Floor Plans & Elevations - PER.02.pe A
- p) Pergola 5 Bay Floor Plans & Elevations - PER.03.pe A
- q) Single Garage 6m - GAR.01.pe D
- r) Double Garage 6m - GAR.0.pe C
- s) Visibility & Road Widths Layout - 6501-MJA-SW-XX-DR-C-003-P12
- t) Refuse Vehicle Tracking Layout - 6501-MJA-SW-XX-DR-C-500-P11
- u) Fire Appliance Vehicle Tracking Layout - 6501-MJA-SW-XX-DR-C-501-P11
- v) Large Car Tracking Layout - 6501-MJA-SW-XX-DR-C-502-P11
- w) Fire Appliance & Delivery Vehicle Tracking - 6501-MJA-SW-XX-DR-C-503-P3
- x) Sports Pitch Cross Sections - 6501-MJA-SW-XX-DR-C-005-P1
- y) Sports Pitch Land Drainage Proposals - 6501-MJA-SW-XX-DR-C-006-P2

Elevations

- z) Plots 1-2 Elevations - HT.B(2Blk).e1 A
- aa) Plots 3 & 16 Elevations - HT.J.e A
- bb) Plots 5 & 6 Elevations - P.5-6.e C
- cc) Plots 7-10 Elevations (Sheet 1) - P.7-10.e1 C
- dd) Plots 7-10 Elevations (Sheet 2) - P.7-10.e2 C
- ee) Plots 11 & 12 Elevations - P.11-12.e C
- ff) Plots 13,14,76,77 - HT.S.2.1(2Blk)-R.e1 D
- gg) Plot 15 Elevations - HT.L-A.e A
- hh) Plots 17 & 52 Elevations - HT.S.e A
- ii) Plot 18 Elevations - HT.J-A.e B
- jj) Plots 19,20,23,24,71,72,109-110 Elevations - HT.J (2Blk).e1 B
- kk) Plots 21,22,33,34,47,48,111,112,124,125 Elevations - HT.J (2Blk).e2 B
- ll) Plots 25- 26 Elevations – P.25-26.e A
- mm) Plots 27-29 Elevations - P.27-29.e C
- nn) Plots 30-31 Elevations - HT.S.3.2(2Blk)-R.e2 D
- oo) Plots 32-35 Elevations - HT.U-A.e A
- pp) Plots 36-38 Elevations - P.36-38.e B
- qq) Plots 39,40,45,46 Elevations - HT.S.3.2(2Blk)-R.e1 D
- rr) Plot 42 Elevations - HT.L.e1 A
- ss) Plot 42 Elevations - HT.L.e1 B
- tt) Plots 43 & 44 Elevations - P.43-44.e D
- uu) Plots 49 & 50 Elevations - P.49-50.e B
- vv) Plots 51,60,63,4,41,56,70,73 Elevations - HT.L.e2 A
- ww) Plots 53-55 & 64-66 Elevations - HT.M-N.e A
- xx) Plots 57 & 58 Elevations - HT.S.3.2(2Blk)-SR.e C
- yy) Plot 59 Elevations - HT.S.4.2-SR.e B
- zz) Plots 61 & 62 Elevations - HT.S.3.2(2Blk)-SO.e1 B
- aaa) Plots 67-69 Elevations - HT.U.e A
- bbb) Plots 74-75 Elevations – HT.S.2.1 (2blk)-SO.e1_G
- ccc) Plots 78 & 79 Elevations - P.78-79.e D
- ddd) Plots 80 & 81 Elevations - P.80-81.e D
- eee) Plot 82 Elevations - HT.A.e C
- fff) Plot 83,84,115,116 Elevations - HT.S.1.M-SO.e C
- ggg) Plots 98 & 99 Elevations - HT.S.3.2(2Blk)-SO.e D

- hhh) Plot 100 Elevations - HT.S.2B.FOG-SO.e D
- iii) Plots 107 & 108 Elevations - HT.S.1.M-R.e C
- jjj) Plots 113 & 114 Elevations – P.113-114.e A
- kkk) Plots 121 & 123 Elevations - P.121-123.e C
- lll) Plot 126 Elevations - HT.W.e1 A
- mmm) Plot 126 Elevations - HT.W.e2 B
- nnn) Block A Plots 101-106 Elevations Sheet 1 - P.101-106.e1 F
- ooo) Block A Plots 101-106 Elevations Sheet 2 - P.101-106.e2 G
- ppp) Block B Plots 117-120 Elevations Sheet 1 - P.117-120.e1 D
- qqq) Block B Plots 117-120 Elevations Sheet 2 - P.117-120.e2 E

Floor Plans

- rrr) Plots 1 & 2 Floor Plans - HT.B(2Blk).p_A
- sss) Plots 3 & 16 Floor Plans - HT.J.p_A
- ttt) Plots 5 & 6 Floor Plans - P.5-6.p_D
- uuu) Plots 7-10 Floor Plans - P.7-10.p C
- vvv) Floor Plans Plots 9, 20, 21, 22, 23, 24, 33, 34, 47, 48, 71, 72, 109, 110, 111, 112, 124, 125 - HT.J(2Blk).p B
- www) Plots 11 & 12 Floor Plans - P.11-12.p D
- xxx) Plots 13,14,76,77 - HT.S.2.1(2blk)-R.p_D
- yyy) Plot 15 Floor Plan - HT.L-A.p_A
- zzz) Plots 17 & 52 Floor Plans- HT.S.p_A
- aaaa) Plot 18 Floor Plans - HT.J-A.p_B
- bbbb) Plots 25-26 Floor Plans – P.25.26.p A
- cccc) Plots 27-29 Floor Plans - P.27-29.p C
- dddd) Plots 30,31,39,40,45,46 Floor Plans - HT.S.3.2(2blk)-R.p_C
- eeee) Plots 32-35 Floor Plans - HT.U-A.p_A
- ffff) Plots 36-38 Floor Plans - P.36-38.p B
- gggg) Plots 42,51,60,63,4,41,56,70,73 Floor Plans - PHT.L.p_B
- hhhh) Plots 43 & 44 Floor Plans - P.43-44.p_D
- iiii) Plots 49 & 50 Floor Plans - P.49-50.p B
- jjjj) Plots 53-55 & 64-66 Floor Plans - HT.M-N.p1_A
- kkkk) Plots 53-55 & 64-66 Floor Plans - HT.M-N.p2_A
- llll) Plots 57 & 58 Floor Plans - HT.S.3.2(2blk)-SR.p_B
- mmmm) Plot 59 Floor Plans - HT.S.4.2-SR.p_B
- nnnn) Plots 61,62,98,99 Floor Plans - HT.S.3.2(2blk)-SO.p_C
- oooo) Plots 67-69 Floor Plans - HT.U.p_A
- pppp) Plots 74-75 Floor Plans - HT.S.2.1 (2blk)-SO.p_F
- qqqq) Plots 78 & 79 Floor Plans - P.78-79.p D
- rrrr) Plots 80 & 81 Floor Plans - P.80-81.p D
- ssss) Plot 82 Floor Plans - HT.A.p_D
- tttt) Plots 83 & 84 & 115-116 Floor Plans - HT.S.1.M-SO.p_B
- uuuu) Plot 100 Floor Plans - HT.S.2B.FOG-SO.p_C
- vvvv) Plots 107 & 108 Floor Plans - HT.S.1.M-R.p_B
- wwww) Plots 113 & 114 Floor Plans – P.113-114.p A
- xxxx) Plots 121-123 Floor Plans - P.121-123.p C
- yyyy) Plot 126 Floor Plans - HT.W.p_B
- zzzz) Block A Plots 101-106 Ground Floor - P.101-106.p1_G
- aaaaa) Block A Plots 101-106 First Floor - P.101-106.p2_F
- bbbbb) Block B Plots 117-120 Ground Floor - P.117-120.p1_E
- ccccc) Block B Plots 117-120 First Floor - P.117-120.p2_E

Transport Statement (i-Transport, 7 December, 2022)

HCC Highway Response (i-Transport, 29 February 2024)
Updated Road Safety Audit (MJA Consulting, 5 Jan 2024)
HCC Consultation Response Note (i-Transport, 26 Jan 2024)
Ecological Impact Assessment (ECOSA, Jan 2024)
Reptile Mitigation Strategy (ECOSA, Nov,2022)
Reptile Translocation Report (ECOSA, Jan 2024)
Biodiversity Net Gain Assessment (ECOSA, Jan 2024)
Arboricultural Impact Assessment & Method Statement (Barrell, 19 Jan 2024)
Tree Protection Plan (drwg No. 22011-5)
Flood Risk Assessment & Development Drainage Strategy, MJA Consulting December 2022 & SUDS Management & Maintenance Plan, December 2022)
Generic Quantitative Risk Assessment (GCC Ltd, Nov 2022)
Ground Condition Assessment (GCC Ltd, August 2021)
Ground Condition Desk Top Study (GCC Ltd, June 2021)
Amended Accommodation Schedule
M4(2) & M4(3) Schedule of Compliance
Amended Space Standards Compliance Schedule (BARG 180620)

- iv) Amend condition 10 of full permission (Cycle Storage) to include reference to the latest Parking Strategy plan, as listed above.*
- v) Amend trigger of conditions 5, 12, 17 and 19 to pre-commencement to bring forward submission/approval of details at applicant's request.*

Councillor I Bastable declared a personal interest in this item as he has a close friend who lives adjacent to the redline of the application site.

Upon being proposed and seconded, the Officer recommendation to: -

- (i) GRANT full planning permission for 113 dwellings and OUTLINE planning permission for 13 custom build dwellings, subject to: -
 - i) Consideration of further comments from the Lead Local Flood Authority (HCC);
 - ii) Consideration of any comments received from Natural England in response to consultation on the Council's Appropriate Assessment;
 - iii) Any additional conditions or modification to the proposed conditions or HoT's that any of the consultees may recommend;

And

- iv) The applicant/owner first entering into a planning obligation pursuant to Section 106 of Town and Country Planning Act 1990 on terms drafted by the Solicitor to the Council in respect of the following:

- a) The delivery of at least 40% of the dwellings as affordable housing; the type, size, mix and tenure as agreed by Officers (to include obligations to secure nomination rights and agreement of a Community Lettings Plan for any potential affordable housing provided over and above the 40% requirement);
- b) To secure a highway contribution of £482,000 (index linked) towards local highway improvements;
- c) Travel Plan and related monitoring cost and bond;
- d) To secure the provision of public open spaces (POS) and transfer of agreed to Fareham Borough Council with the associated financial contributions for future maintenance, including an area for outdoor sport; (junior football pitches);
- e) In respect of the areas of POS not adopted by the Council, the creation of a management company to maintain the open space in perpetuity including detail of how that management company would be funded to ensure the management and maintenance of the open space in perpetuity;
- f) A financial contribution towards the delivery of an equipped children's play area within the HA1 allocation to the South of Greenaway Lane (70k) and associated maintenance;
- g) To secure a financial contribution for the maintenance of retained trees on the POS;
- h) To secure pedestrian access and cycle connectivity to adjoining land to the north, south and east right up to the party boundary in perpetuity including the provisions for future maintenance;
- i) To secure potential connection points for construction of a connecting road from the development site to land to the north (Vero) and south (Land rear of 63 Warsash Road within HA1) in accordance with a scheme of works to be approved by the Council, in the event this access is required to facilitate development of adjacent sites;
- j) To secure the provision of ecological buffers and future maintenance arrangements;
- k) To secure a financial contribution towards the Solent Recreation Mitigation Partnership (SRMP);

- l) To secure a financial contribution in accordance with the Council's New Forest Recreational Disturbance Interim Mitigation Solution;

And

- v) The conditions in the report;
- vi) The conditions in the Update Report

Then

- vii) DELEGATE authority to the Head of Planning to:
 - (a) Make any necessary modification, deletion or addition to the proposed conditions or heads of terms for the section 106 legal agreement; and
 - (b) Make any necessary changes arising out of detailed negotiations with the applicant which may necessitate the variation, addition or deletion of the conditions and heads of terms as drafted to ensure consistency between the two sets of provisions.

Was voted on and CARRIED.
(Voting: 9 in favour; 0 against)

RESOLVED that PLANNING PERMISSION for 113 dwellings and OUTLINE PLANNING PERMISSION for 13 custom build dwellings be granted, subject to: -

- i) Consideration of further comments from the Lead Local Flood Authority (HCC);
- ii) Consideration of any comments received from Natural England in response to consultation on the Council's Appropriate Assessment;
- iii) Any additional conditions or modification to the proposed conditions or HoT's that any of the consultees may recommend;

And

- iv) The applicant/owner first entering into a planning obligation pursuant to Section 106 of Town and Country Planning Act 1990 on terms drafted by the Solicitor to the Council in respect of the following:
 - 1. The delivery of at least 40% of the dwellings as affordable housing; the type, size, mix and tenure as agreed by Officers (to include obligations to secure nomination rights and agreement of a Community Lettings Plan for any potential affordable housing provided over and above the 40% requirement);

2. To secure a highway contribution of £482,000 (index linked) towards local highway improvements;
3. Travel Plan and related monitoring cost and bond;
4. To secure the provision of public open spaces (POS) and transfer of agreed to Fareham Borough Council with the associated financial contributions for future maintenance, including an area for outdoor sport; (junior football pitches);
5. In respect of the areas of POS not adopted by the Council, the creation of a management company to maintain the open space in perpetuity including detail of how that management company would be funded to ensure the management and maintenance of the open space in perpetuity;
6. A financial contribution towards the delivery of an equipped children's play area within the HA1 allocation to the South of Greenaway Lane (70k) and associated maintenance;
7. To secure a financial contribution for the maintenance of retained trees on the POS;
8. To secure pedestrian access and cycle connectivity to adjoining land to the north, south and east right up to the party boundary in perpetuity including the provisions for future maintenance;
9. To secure potential connection points for construction of a connecting road from the development site to land to the north (Vero) and south (Land rear of 63 Warsash Road within HA1) in accordance with a scheme of works to be approved by the Council, in the event this access is required to facilitate development of adjacent sites;
10. To secure the provision of ecological buffers and future maintenance arrangements;
11. To secure a financial contribution towards the Solent Recreation Mitigation Partnership (SRMP);
12. To secure a financial contribution in accordance with the Council's New Forest Recreational Disturbance Interim Mitigation Solution;

And

- v) The conditions in the report;

vi) The conditions in the Update Report

Then

vii) AUTHORITY BE DELEGATED to the Head of Development Planning to:

(a) Make any necessary modification, deletion or addition to the proposed conditions or heads of terms for the section 106 legal agreement; and

(b) Make any necessary changes arising out of detailed negotiations with the applicant which may necessitate the variation, addition or deletion of the conditions and heads of terms as drafted to ensure consistency between the two sets of provisions.

(2) P/24/0053/FP - 12 CLIFTON MEWS FAREHAM

The Committee received the deputation referred to in Minute 5 above.

At the invitation of the Chairman, Councillor Mrs K K Trott addressed the Committee on this item.

The Committee's attention was drawn to the Update Report which contained the following information: -

There is a need to publicise the application by way of a press notice and site notice as the application site is within the Wallington Conservation Area. The Site Notice was displayed along North Wallington on 7th March, and the press notice will be published on 15th March. They will run concurrently and expire on 8th April.

Should any further representations be received during the publicity period, Members are requested to Delegate Authority to the Head of Planning to consider these representations before the planning application is determined.

A further 4 representations have been received since the publication of the Committee Report (total now 10). No new issues have been raised beyond those listed in the Committee Report.

The Planning Officer also gave a verbal update to confirm that a further 2 comments have been received since the update report was published, however they have not raised any new matters that haven't already been covered in previous comments.

Upon being proposed and seconded the officer recommendation to: -

(i) GRANT planning permission, subject to the conditions in the report and the update report;

And

(ii) DELEGATE authority to the Head of Planning to make any necessary modification, deletion or addition to the proposed conditions.

Was voted on and CARRIED.
(Voting: 9 in favour; 0 against)

RESOLVED that: -

- (i) PLANNING PERMISSION be granted, subject to the conditions in report and the update report;

And

- (ii) AUTHORITY BE DELEGATED to the Head of Planning to make any necessary modification, deletion or addition to the proposed conditions.

(3) Planning Appeals

The Committee noted the information in the report.

(4) UPDATE REPORT

The Update Report was circulated prior to the meeting and considered alongside the relevant agenda items.

(The meeting started at 2.30 pm
and ended at 4.38 pm).

..... Chairman

..... Date

FAREHAM

BOROUGH COUNCIL

Minutes of the Audit and Governance Committee (to be confirmed at the next meeting)

Date: Monday, 11 March 2024

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Ms F Burgess (Chairman)

Councillor R Bird (Vice-Chairman)

Councillors: Mrs T L Ellis, H P Davis, N R Gregory, D J Hamilton and
S D Martin

**Also
Present:**



1. APOLOGIES

No apologies were received at the meeting.

2. MINUTES

RESOLVED that the Minutes of the Audit and Governance Committee meeting held on the 27 November 2024 be signed and confirmed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no announcements made by the Chairman.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

No declarations of interest were made at the meeting.

5. DEPUTATIONS

No deputations were received at the meeting.

6. EXTERNAL AUDIT - CERTIFICATION REPORT

The Committee received a report from the Assistant Director (Finance and ICT) which presented the findings from the Housing Benefit Subsidy Certification work carried out by External Auditors (EY LLP) in respect of 2021/22.

RESOLVED that the Audit and Governance Committee: -

- a) consider the findings of the Annual Certification Report 2021/22 submitted to the Department for Works and Pensions by the Council's external auditors; and
- b) comment on the findings as appropriate.

7. EXTERNAL AUDIT - VALUE FOR MONEY REPORT

The Committee received a report from the Ernst and Young LLP asking them to consider the External Auditor's Value for Money Interim Report, summarising the findings from the work completed to date on the 2022/23 accounts.

RESOLVED that the Audit and Governance Committee notes the contents of the Value for Money Interim Report at Appendix A to the report.

8. EXTERNAL AUDIT - AUDIT UPDATE

The Committee received the External Auditor's Audit Update Report, summarising the proposals for the delivery of the audits of the 2022/23 and 2023/24 accounts, following the launch of the national consultation from the

Department of Levelling Up, Housing and Communities. Ben Lazarus from Ernst & Young presented the update to the Committee.

Members thanked Ben for the update and asked questions for clarification on several elements. Concerns were raised over the negative public perception to the Council receiving a disclaimed opinion. Ben reassured Members although far from ideal, this was not a local issue and if a disclaimed opinion was issued for 2022/23 then a significant number of authorities would be in a similar situation, including a significant number of their clients. Ben advised that although Members are right to raise concerns, a great deal of work is needed by Government to finalise a clear procedure for auditors to follow and Fareham Borough Council remains in a good position which should reassure Members at this stage. Ben also advised some of the steps their firm has been taking to reduce the likelihood of similar delays occurring going forward.

RESOLVED that the Audit and Governance Committee notes the contents of the Audit update report.

9. MEMBER TRAINING PROGRAMME

The Committee received a report by the Assistant Director (Democracy) on a review of the Member Training Programme.

Members of the Committee put forward a number of items for inclusion in the programme that Officers will investigate moving forward.

It was also suggested that as well as the mandatory training for Members of the Planning Committee each year, that an additional session be held for all Members to better understand the Planning process, as a great deal of resident queries received by Members relates to Planning matters. Officers agreed that this would be added to the programme.

RESOLVED It is recommended that the Audit and Governance Committee:-

- a) notes the content of this report;
- b) recommends an additional training session be held for all Members to better understand the Planning process to be added to the draft Programme at Appendix A; and
- c) approves the draft Elected Member Training Programme at Appendix A with the addition of the recommendation at point b).

10. TREASURY MANAGEMENT STRATEGY

The Committee received a report from the Chief Executive Officer on the Treasury Management Strategy that was approved by Council on the 23 February 2023.

Members of the Committee put forward relevant questions in relation to the Council's investment and borrowing activity which were answered in the meeting.

Councillor S Martin left the meeting during the discussion on this item.

RESOLVED that the Audit and Governance Committee note the Treasury Management Strategy and Prudential Indicators for 2024/25, attached as Appendix A to the report.

11. ANNUAL REVIEW OF THE AUDIT AND GOVERNANCE COMMITTEE

The Committee received a report from the Assistant Director (Finance & ICT) on the Draft Annual Review of the Audit and Governance Committee which provided Members with an opportunity to review its activities during 2023/25.

Members were asked to consider any amendments to the draft report before being finalised and brought to Council for endorsement. It was suggested, following discussions surrounding the information in Appendix A, that some commentary be included that explains the meanings behind the 'frequency' column and the use of 'as needed'. Some of this is governed by legislation or CIPFA guidelines which would be useful to highlight to Members by way of an explanation. Officers will ensure that this detail be added to the final report before being considered at Council.

RESOLVED that the Audit and Governance Committee: -

- a) considered the contents of the annual review;
- b) suggest that commentary be included within the report that explains the meanings behind the 'frequency' column; and
- c) submit a final version of the report to Council.

12. MONITORING OFFICER REPORT

The Committee received a report from the Monitoring Officer which included the annual review of the Constitution, the Committees Work Programme and a change to Part Seven of the Constitution.

RESOLVED that the Audit and Governance Committee: -

- a) notes the contents of Part One of the report;
- b) considered the Committee Work Programme for 2024/25 for endorsement by Council; and
- c) consider the changes to the Constitution – Part Seven – Senior Management Structure for endorsement by Council.

13. RISK MANAGEMENT MONITORING REPORT

The Committee received the six-monthly Risk Management Monitoring Report from the Assistant Director (Finance & ICT).

RESOLVED that the Audit and Governance Committee review the report as a source of evidence that the current Risk Management Policy is operating in practice.

14. HEAD OF INTERNAL AUDITS QUARTERLY REPORT AND ANNUAL PLAN

The Committee received the Head of Internal Audits Quarterly Report and Annual Plan from the Assistant Director (Finance & ICT).

RESOLVED that the Audit and Governance Committee:-

- a) notes the progress and findings arising from Internal Audit work; and
- b) approves the proposed full plan for the 2024/25 audit year as set out in Appendix Three.

(The meeting started at 6.00 pm
and ended at 7.42 pm).

..... Chairman

..... Date

FAREHAM

BOROUGH COUNCIL

Minutes of the Licensing and Regulatory Affairs Committee

(to be confirmed at the next meeting)

Date: Tuesday, 12 March 2024

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Mrs P M Bryant (Chairman)

Councillor Ms F Burgess (Vice-Chairman)

Councillors: I Bastable, Mrs S M Bayford, S Dugan, M J Ford, JP,
N R Gregory, D J Hamilton, Mrs P Hayre, Mrs K K Trott and
Mrs S M Walker

**Also
Present:**



1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors S Ingram and Ms S Pankhurst.

2. MINUTES

(1) Minutes of meeting of the Licensing & Regulatory Affairs Committee

RESOLVED that the minutes of the meeting of the Licensing and Regulatory Affairs Committee held on 30 January 2024 be confirmed and signed as a correct record.

(2) Minutes of meeting Friday, 2 February 2024 of Licensing Panel

RESOLVED that the minutes of the meeting of the Licensing Panel held on 02 February 2024 be confirmed and signed as a correct record.

(3) Minutes of meeting Wednesday, 28 February 2024 of Licensing Panel

RESOLVED that the minutes of the meeting of the Licensing Panel held on 28 February 2024 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements.

4. DECLARATIONS OF INTEREST

Councillor Mrs S Walker declared disclosable pecuniary interests in respect of item 6 on the agenda as she is a Council appointed representative on the Board of Trustees of Portchester Community Centre, Portchester Parish Hall and Burr ridge Community Centre.

Councillor M J Ford, JP declared a disclosable pecuniary interest in respect of item 6 on the agenda as he is a Council appointed representative on the Board of Trustees at Victory Hall in Warsash.

Councillor Mrs S M Bayford declared a non-pecuniary interest in respect of item 6 on the agenda as she is a Council appointed representative at the Lockwood Community and Sports Association.

Councillor Mrs P Hayre declared a disclosable pecuniary interest in respect of item 6 on the agenda as she is a Council appointed deputy representative on the Board of Trustees at Crofton Community Association.

Councillor S Dugan declared a disclosable pecuniary interest in respect of item 6 on the agenda as he is a Council appointed representative on the Board of Trustees at Crofton Community Association.

Councillor Mrs K K Trott declared a non-pecuniary interest in respect of item 6 on the agenda as she is a Council appointed representative at Wallington Community Association.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. STATUTORY REVIEW OF PARLIAMENTARY POLLING DISTRICTS AND POLLING PLACES

Councillor Mrs S Walker declared disclosable pecuniary interests in respect of this item as she is a Council appointed representative on the Board of Trustees of Portchester Community Centre, Portchester Parish Hall and Burrigge Community Centre.

Councillor M J Ford, JP declared a disclosable pecuniary interest in respect of this item as he is a Council appointed representative on the Board of Trustees at Victory Hall in Warsash.

Councillor Mrs S M Bayford declared a non-pecuniary interest in respect of this item as she is a Council appointed representative at the Lockwood Community and Sports Association.

Councillor Mrs P Hayre declared a disclosable pecuniary interest in respect of this item as she is a Council appointed deputy representative on the Board of Trustees at Crofton Community Association.

Councillor S Dugan declared a disclosable pecuniary interest in respect of this item as he is a Council appointed representative on the Board of Trustees at Crofton Community Association.

Councillor Mrs K K Trott declared a non-pecuniary interest in respect of this item as she is a Council appointed representative at Wallington Community Association.

The Committee received a report by the Assistant Director (Democracy) which updated members on the Statutory Review of Parliamentary Polling Districts and Polling Places.

As there was no discussion nor debate about the use of specific community centres as polling stations listed above, all councillors remained in the room and took part in the decision.

RESOLVED that the Licensing and Regulatory Affairs Committee:

- (a) agrees the statutory notice, as set out in Appendix A to the report, and the timeline for the statutory review;
- (b) considered the proposed scheme of polling places, as set out in Appendix B to the report; and

- (c) delegates authority to the Assistant Director (Democracy), following consultation with the Chairman of the Licensing and Regulatory Affairs Committee and the Returning Officer, to make any minor amendments to the proposed timeline in order to meet the statutory review in the event of the UK Parliamentary General Election being called before the review is completed.

7. FAREHAM & GOSPORT ENVIRONMENTAL HEALTH PARTNERSHIP UPDATE

The Committee received a presentation by the Head of Environmental Health which provided members with an update on the Fareham and Gosport Environmental Health Partnership. A copy of the slides is attached to these minutes as Appendix A.

In discussing this item it was noted that significant cost savings have been made for both Councils since the Partnership was established in 2012. However, the Head of Environmental Health advised that going forward, the ongoing pressure to deliver further cuts in expenditure will be much more difficult to achieve. There has been a recent resignation in the Food Safety team which will present challenges for the team if difficulties are encountered in recruiting a replacement.

The Committee noted the evident, and ongoing success, of the Partnership and enquired whether, in the light of the new administration at Gosport Borough Council and the recent dissolution of the Havant Borough Council and East Hampshire District Council Partnership, Gosport Borough Council is still committed to the continuation of the Partnership. The Head of Environmental Health advised the Committee that the new administration at Gosport is indeed committed to the Partnership and has recently resolved that it should continue. The Head of Environmental Health highlighted that there would be significant operational and cost implications for both Councils if the Partnership were to be dissolved.

During discussion on the scope and capacity of the Partnership, the Committee raised concern that there has been recent news coverage that Environmental Health Departments are not fulfilling their statutory duties due to budget cuts and staffing shortages. The Head of Environmental Health reported that Fareham is one of the better performing councils in terms of the key area of Food Inspections. The backlog that was created due to the Covid-19 Pandemic has been cleared and the team is currently achieving over 90% of inspections completed.

RESOLVED that the Licensing and Regulatory Affairs Committee notes the content of the presentation.

8. LICENSING AND REGULATORY AFFAIRS COMMITTEE WORK PROGRAMME

The Committee received a report by the Head of Environmental Health which presented an opportunity for members to review the Work Programme for the current municipal year and to finalise a proposed draft Work Programme for 2024/25.

RESOLVED that the Licensing and Regulatory Affairs Committee:

- (a) notes the progress on actions arising from the meeting of the Committee held on 30 January 2024, attached as Appendix A to the report;
- (b) reviewed the Work Programme for the 2023/24 municipal year, attached as Appendix B to the report;
- (c) approves the proposed draft Work Programme for 2024/25, attached as Appendix C to the report; and
- (d) agrees to submit the proposed draft Work Programme for 2024/25 to Council for approval.

(The meeting started at 6.01 pm
and ended at 6.53 pm).

..... Chairman

..... Date

FAREHAM

BOROUGH COUNCIL

Minutes of the Daedalus Scrutiny Panel (to be confirmed at the next meeting)

Date: Wednesday, 21 February 2024

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor S Dugan (Chairman)

Councillor Mrs J Needham (Vice-Chairman)

Councillors: Mrs S M Bayford, J M Englefield and M J Ford, JP

Also Present: Councillor S D T Woodward, Executive Member for Policy and Resources (Item 6)



1. APOLOGIES FOR ABSENCE

Apologies of absence were received from Councillor Mrs P Hayre, and Mr Jonathan Butts.

2. MINUTES

RESOLVED that the minutes of the Daedalus Scrutiny Panel meeting held on 18 January 2024 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements made at this meeting.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTION

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. DAEDALUS VISION AND OUTLINE STRATEGY - 2024 UPDATE: PROGRESS AND NEXT STEPS

The Panel considered a report by the Director of Planning and Regeneration on the Daedalus Vision and Outline Strategy, which provided an update on progress made to date, and the next steps for the strategy.

Members all agreed that the Daedalus 2024 Update was a fantastic 'brochure' document which highlighted the positive progress that has been made at Daedalus to date. They were keen for Officers to ensure that this is well publicised as they felt that there is a lack of public knowledge of all of the facilities that are available on the site.

The Chairman addressed the Panel and suggested that a recommendation is made to the Executive that reference is made in the Next Steps section of the Daedalus 2024 Update which highlights the key continued role of the general aviation sector at Solent Airport, alongside work to attract other aviation sectors. In particular the published Government policy on Flightpath to the Future; a Strategic Framework for the Aviation Sector was seen as highly relevant to Solent Airport as the policy focuses on how local government and industry can work together to deliver a successful aviation for the future.

At the invitation of the Chairman, Councillor S D T Woodward, Executive Member for Policy and Resources, addressed the Panel on this item. He informed members that the Council is a member of the Strategic Aviation Special Interest Group which is made up of local authorities and is a forum for them to discuss strategic aviation policies and major issues.

Councillor Needham enquired as to whether there are any opportunities for commercial flights at Daedalus in the future. Councillor Woodward addressed the Panel to confirm that this could be possible in the future, firstly however they need to install both the Aeronautical Ground Lighting and the Performance Based Navigation system, which will allow pilots to be able to see where to land their aircrafts and will provide certainty that they will always be able to land despite poor weather conditions.

RESOLVED that: -

- (i) The Panel recommends that the Executive add an additional reference in the Next Steps section of the Daedalus 2024 Update which highlights the key continued role of the general aviation sector at Solent Airport.; and
- (ii) Recommends that the Executive endorse the recommendations set out in its report at its meeting on 4 March 2024.

7. EXECUTIVE BUSINESS

There were no Executive items of business to consider.

8. SCRUTINY PRIORITIES

The Chairman provided members with an update on this item, following Councillor Ford’s suggestion at the last meeting for a map of the Daedalus site be provided to members, setting out where projects are taking place, and identifying that which is air-side and that which is non-aside, this is currently being worked on and it is hoped that this will be provided to members before the next meeting of the Panel in June 2024.

Councillor Englefield asked if they could be provided with more information regarding wildlife preservation and how this is managed on the site. The Head of Asset Management addressed the Panel on this point and confirmed that managing wildlife on the site is difficult due to the nature of the site, and the dangers that the wildlife and aircrafts can pose to one another. He explained that the purchase of the land at Mill Lane, was part of this mitigation as they looked for areas of land where the displaced wildlife could use instead.

There were no further suggestions put forward for this item.

(The meeting started at 6.00 pm
and ended at 6.33 pm).

..... Chairman

..... Date

FAREHAM

BOROUGH COUNCIL

Minutes of the Planning and Development Scrutiny Panel (to be confirmed at the next meeting)

Date: Thursday, 14 March 2024

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor M R Daniells (Chairman)

Councillor N J Walker (Vice-Chairman)

Councillors: Ms S Pankhurst, Mrs T L Ellis, Mrs J Needham and P Nother

Also Present: Councillor Ms C Bainbridge (Items 6 & 7), Councillor S D Martin, Executive Member for Planning and Development (Items 6 & 7) and Councillor Mrs L E Clubley



1. APOLOGIES FOR ABSENCE

An apology of absence was received from Councillor Mrs F Burgess.

2. MINUTES

RESOLVED that the Minutes of the Planning and Development Scrutiny Panel meeting held on the 31 January 2024 be confirmed and assigned as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements made at this meeting.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

No declarations of interest were made at this meeting.

5. DEPUTATIONS

The Panel received a deputation from Lesley Goddard, on behalf of Friends of the Earth, who was thanked accordingly.

6. MOTION - CLIMATE AND ECOLOGY BILL

The Panel considered the Motion – Climate and Ecology Bill which was referred to the Planning and Development Scrutiny Panel by Council on the 14 December 2023 for comment.

At the invitation of the Chairman, Councillor Ms C Bainbridge addressed the Panel on this item and presented her motion to the Panel.

At the invitation of the Chairman, Councillor S D Martin, Executive Member for Planning and Development addressed the Panel on this item.

The Panel received a presentation from the Policy, Research and Engagement Officer which provided an overview of the proposed Climate and Ecology Bill referenced in the Council Motion, and outlined the range of proposals relating to both climate and ecology matters which are included within this Private Members; Bill. (a copy of this presentation has been appended to these minutes).

RESOLVED that the Panel:-

- a) considered the Motion referred to the Planning and Development Scrutiny Panel; and
- b) had no comments on the Motion to report back to full Council.

7. ENVIRONMENT UPDATE

The Panel received a report from the Director of Planning and Regeneration to allow Members of the Planning and Development Scrutiny Panel to consider the Environment Update Executive report and the 'Fareham's Greener Future' document before being taken to the Executive on the 18 March 2024.

At the invitation of the Chairman, Councillor S D Martin, Executive Member for Planning and Development addressed the Panel on this item.

At the invitation of the Chairman, Councillor Ms C Bainbridge addressed the Panel on this item.

Members of the Panel discussed the branding of the proposed Fareham's Greener Future publication, and questioned whether it was appropriate for the document. They felt that a separate branding for this publication (and also the Environment Strategy going forward) which focused more specifically on the environment would be more appropriate than using the same graphics as that used for the Corporate Strategy.

RESOLVED that the Planning and Development Scrutiny Panel:-

- a) note the contents of the Executive Report; and
- b) advise the Executive at their meeting in 18 March 2024 of the Panel's full support for the publication of the Fareham's Greener Future document as a comprehensive summary of the full range of work undertaken by the Council on both carbon reduction/management (principally focused on energy-related projects) and also the service delivery and projects seeking to improve the local natural environment;
- c) request the Executive to consider amending the branding for the Fareham's Greener Future document to focus more specifically on the environment;
- d) advise the Executive of the Panel's support for the preparation of an Environmental Strategy going forward.

8. WELBORNE DELIVERY UPDATE

The Panel received a report from the Director of Planning and Regeneration on an Executive report detailing the progress in the delivery of the Welborne Garden Village since July 2022.

RESOLVED that the Planning and Development Scrutiny Panel:-

- a) note the content of the Executive Report and the Building Welborne Beautiful brochure attached at Appendices A to the Executive Report; and
- b) advise the Executive at their meeting on 18 March 2024 of the Panel's full support for publication of the Building Welborne Beautiful document

as a comprehensive summary of work undertaken by the Council over many years to enable the delivery of Welborne Garden Village.

9. COMMUNITY INFRASTRUCTURE LEVY (CIL) UPDATE

The Panel received a presentation from the Head of Planning updating Members of the Panel on the progress of the new proposed charging schedule for the Community Infrastructure Levy. (A copy of this presentation has been appended to these minutes)

RESOLVED that the Planning and Development Scrutiny Panel:-

- a) note the contents of the presentation; and
- b) advise the Executive at their meeting on the 8 April 2024 that the Panel endorses the approach taken in progressing the CIL Review and the proposed CIL charging schedule.

10. EXECUTIVE BUSINESS

Members of the Panel were asked to consider the items of Executive Business.

(1) Affordable Housing Supplementary Planning Document for Consultation

No questions or comments were received.

(2) Planning Obligations Supplementary Planning Document

No questions or comments were received.

11. PLANNING AND DEVELOPMENT SCRUTINY PANEL PRIORITIES

The Chairman invited Members of the Panel to consider the Scrutiny Priorities for the Planning and Development Scrutiny Panel.

No suggestions were put forward from the Members on this occasion.

(The meeting started at 6.00 pm
and ended at 8.04 pm).

..... Chairman

..... Date

FAREHAM

BOROUGH COUNCIL

Report to Council

09 April 2024

Subject: **ADOPTION OF THE REVISED CHARGING SCHEDULE FOR COMMUNITY INFRASTRUCTURE LEVY**

Report of: **Director of Planning and Regeneration**

SUMMARY

The Council is asked to approve the Revised Charging Schedule for the Community Infrastructure Levy.

Following a six-week consultation period during the spring of 2023, the Revised Community Infrastructure Levy Charging Schedule was submitted for independent examination in July 2023 in accordance with the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019. The examiner's report was received in October 2023. The examiner recommended that the council make two modifications to the Charging Schedule. 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 Annex 1 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 examiners recommendation and following the completion of additional evidence assessment and further consultation, it is recommended that Council approve the Charging Schedule set out in Annex 1.

The Council is invited to consider the comments made by the Executive at the 18th of March on this item. These will be included in the minutes of that meeting.

RECOMMENDATION

It is recommended that the Council approves the Community Infrastructure Levy Charging Schedule as set out in Annex 1 for implementation from 01 May 2024.

Appendices: Annex 1 - Executive Report

Contact: For further information on this report please contact Lee Smith Head of Planning (01329) 824427

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

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.) | | |
|--|--|--|

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

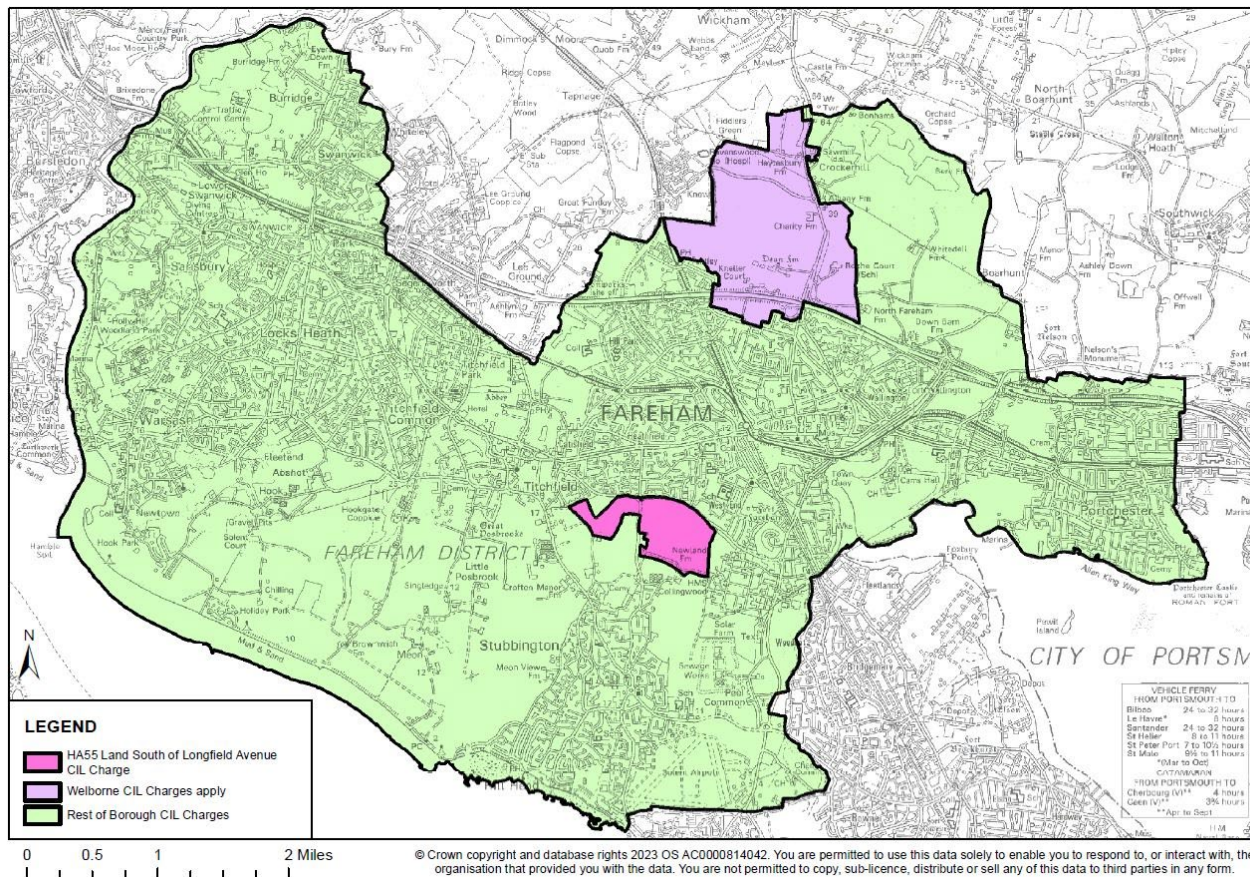


Figure 2: Fareham Town Centre Flatted Development Area

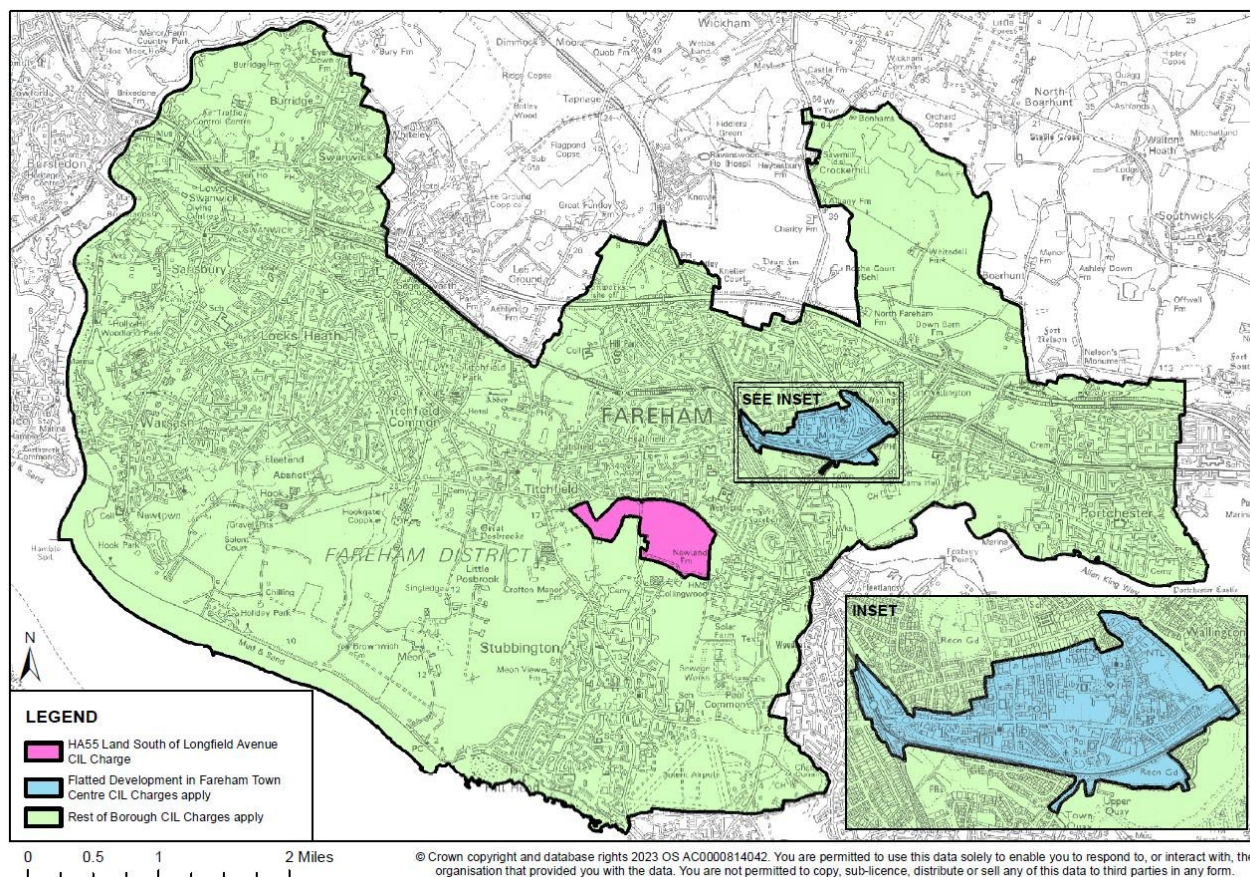
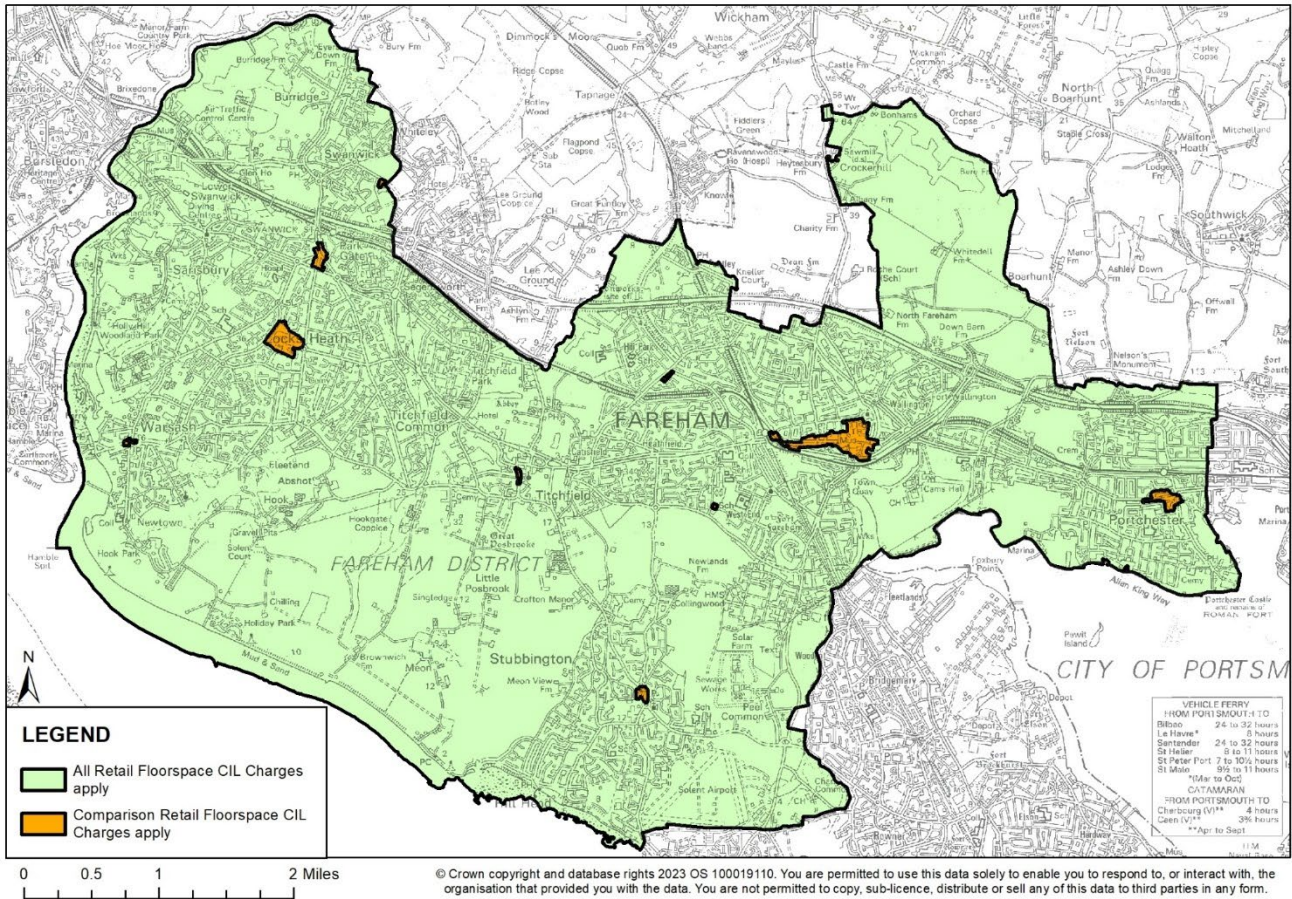
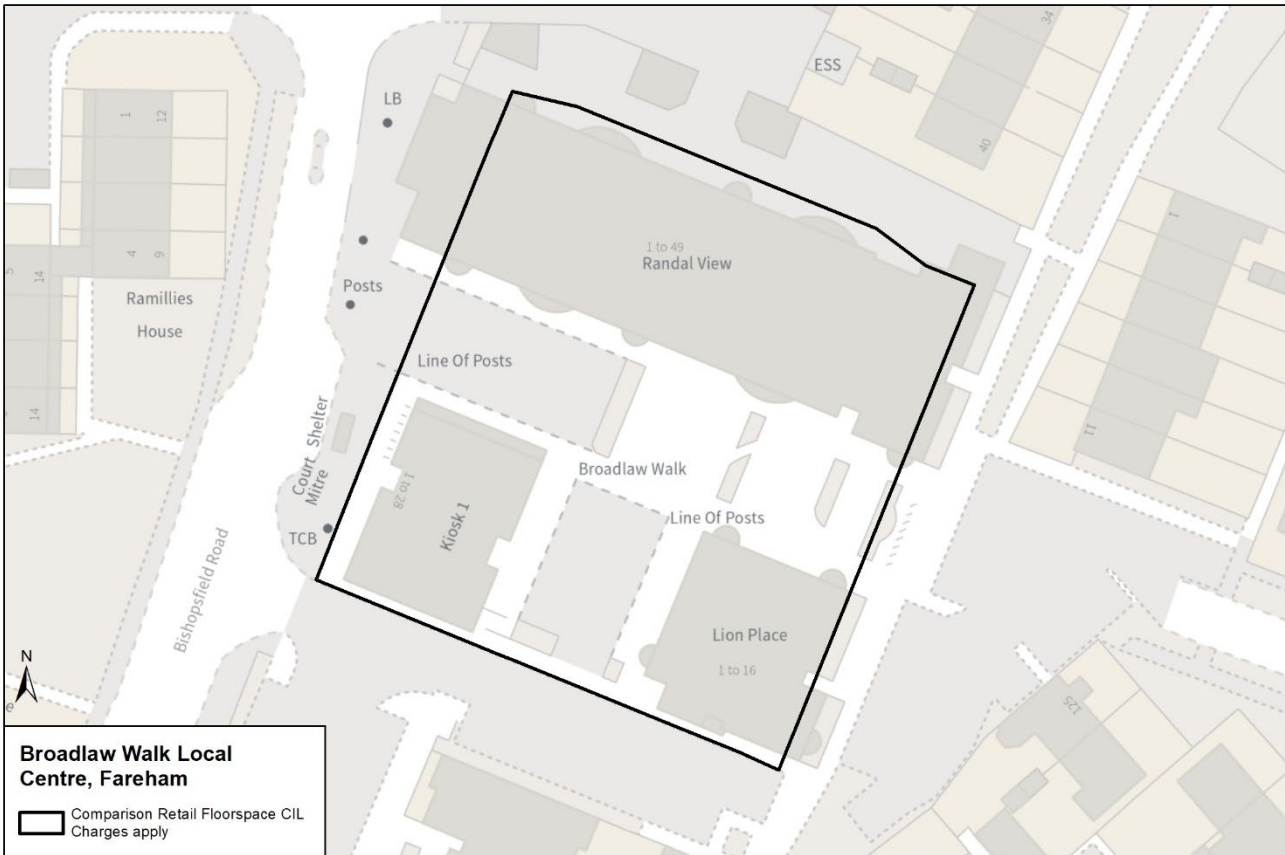
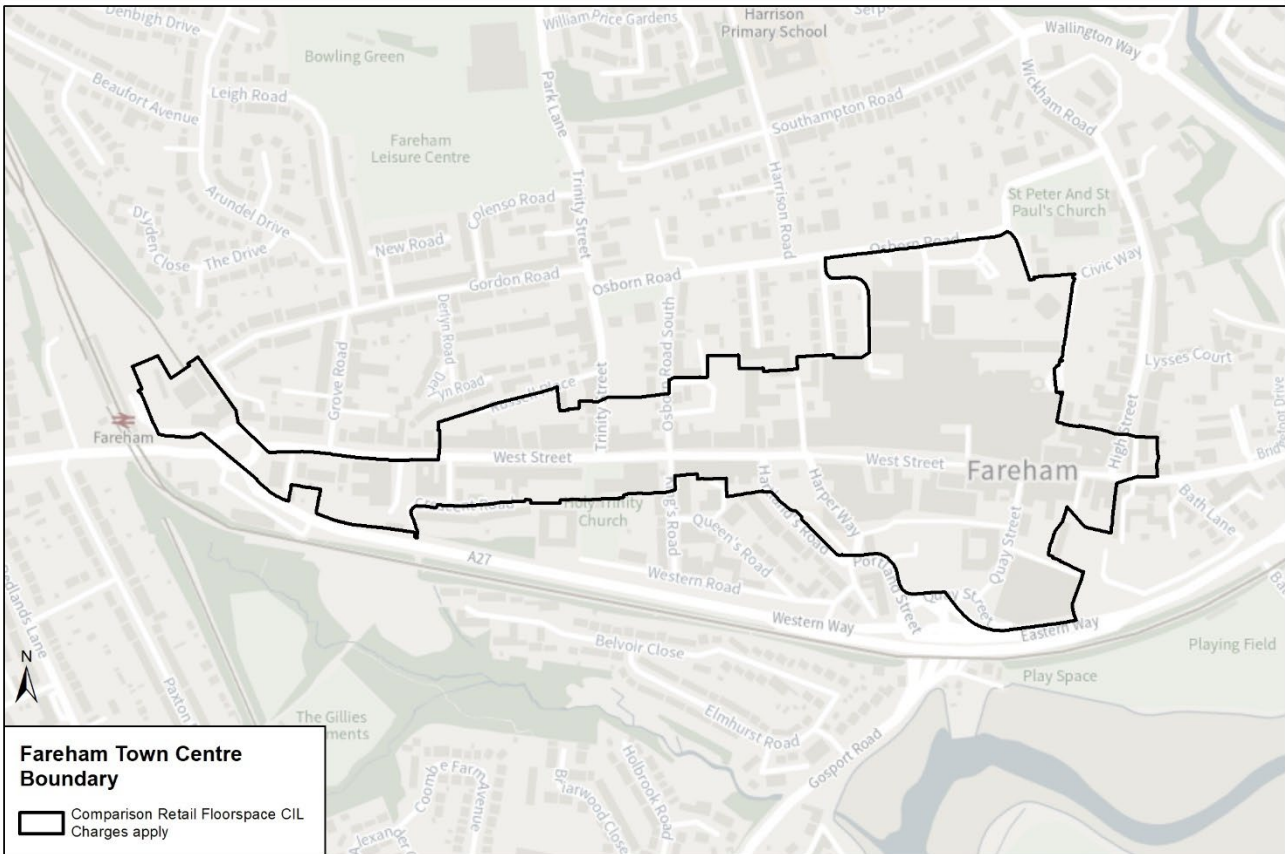


Figure 3: Comparison Retail Charging Zones

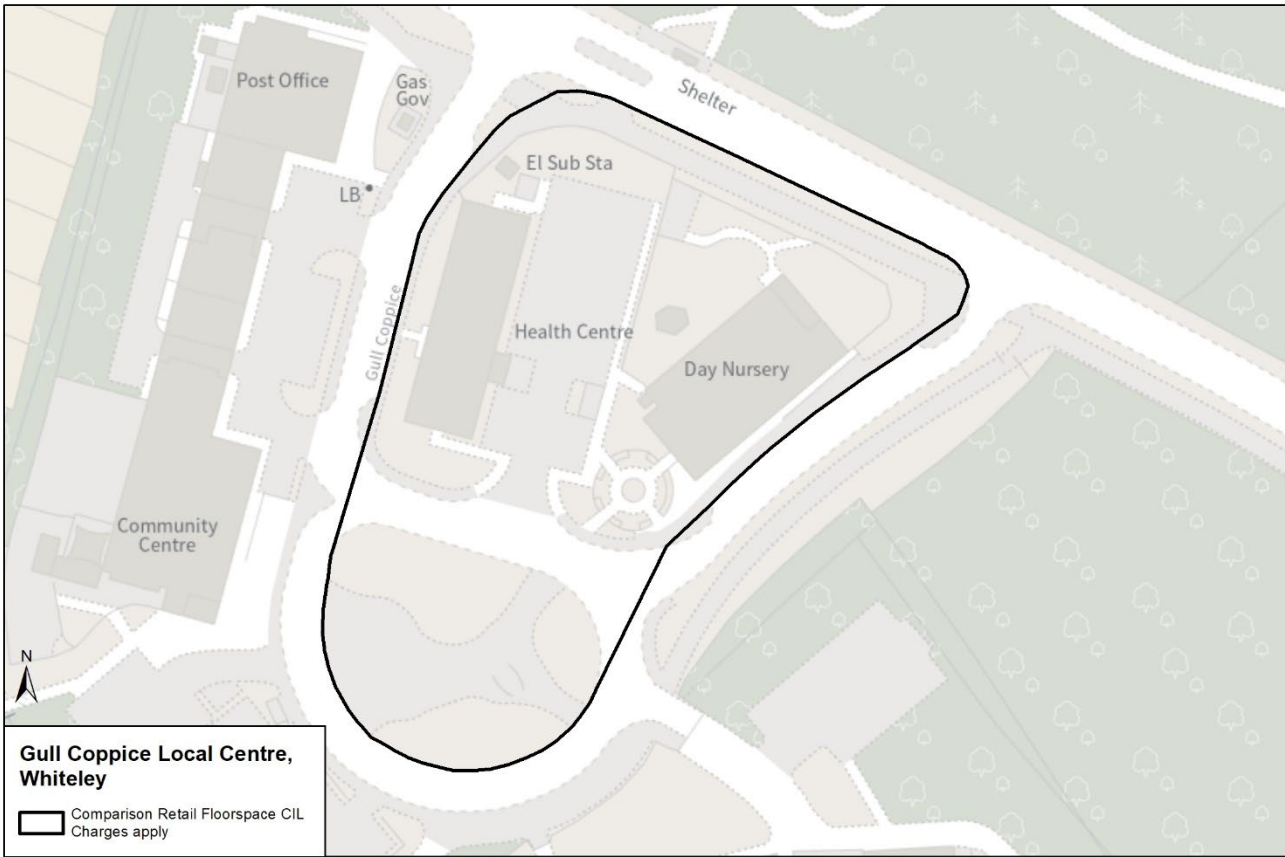




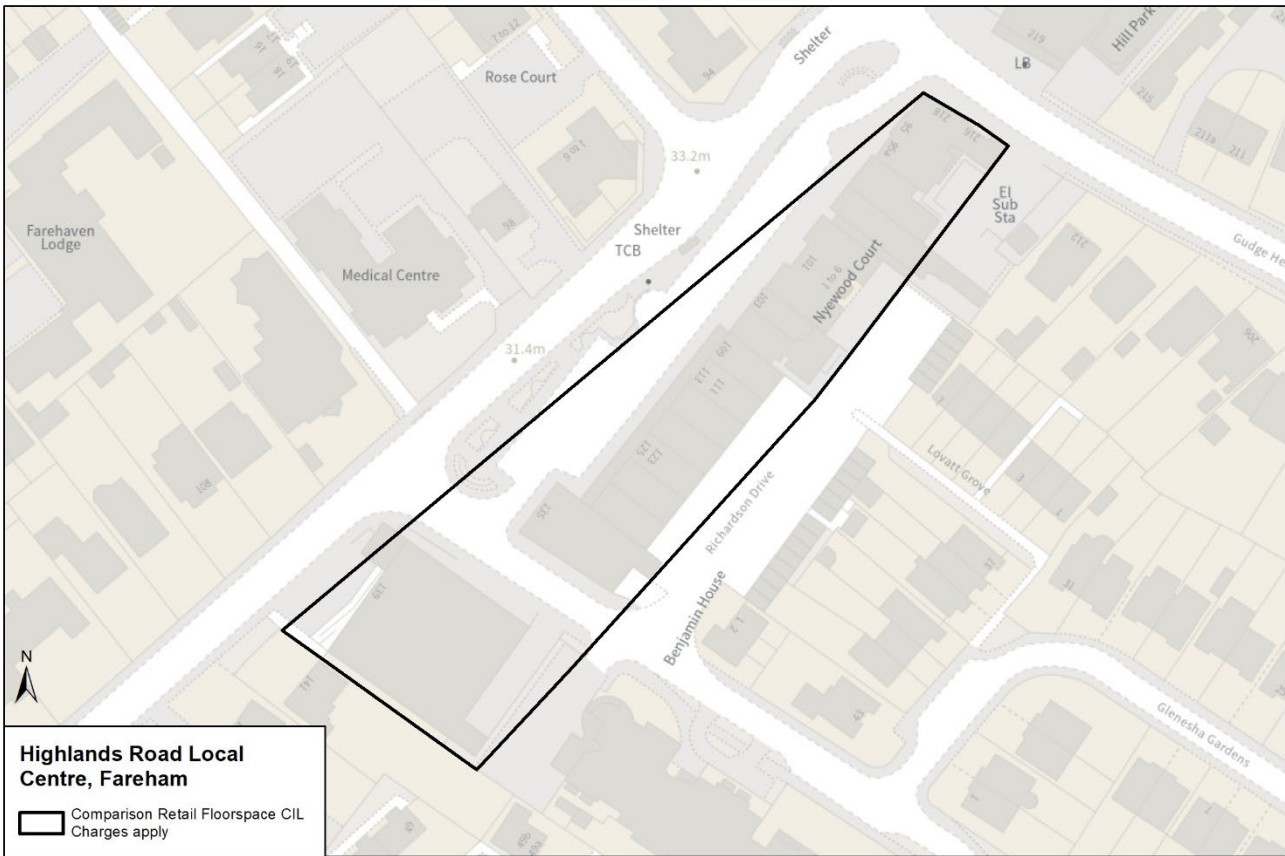
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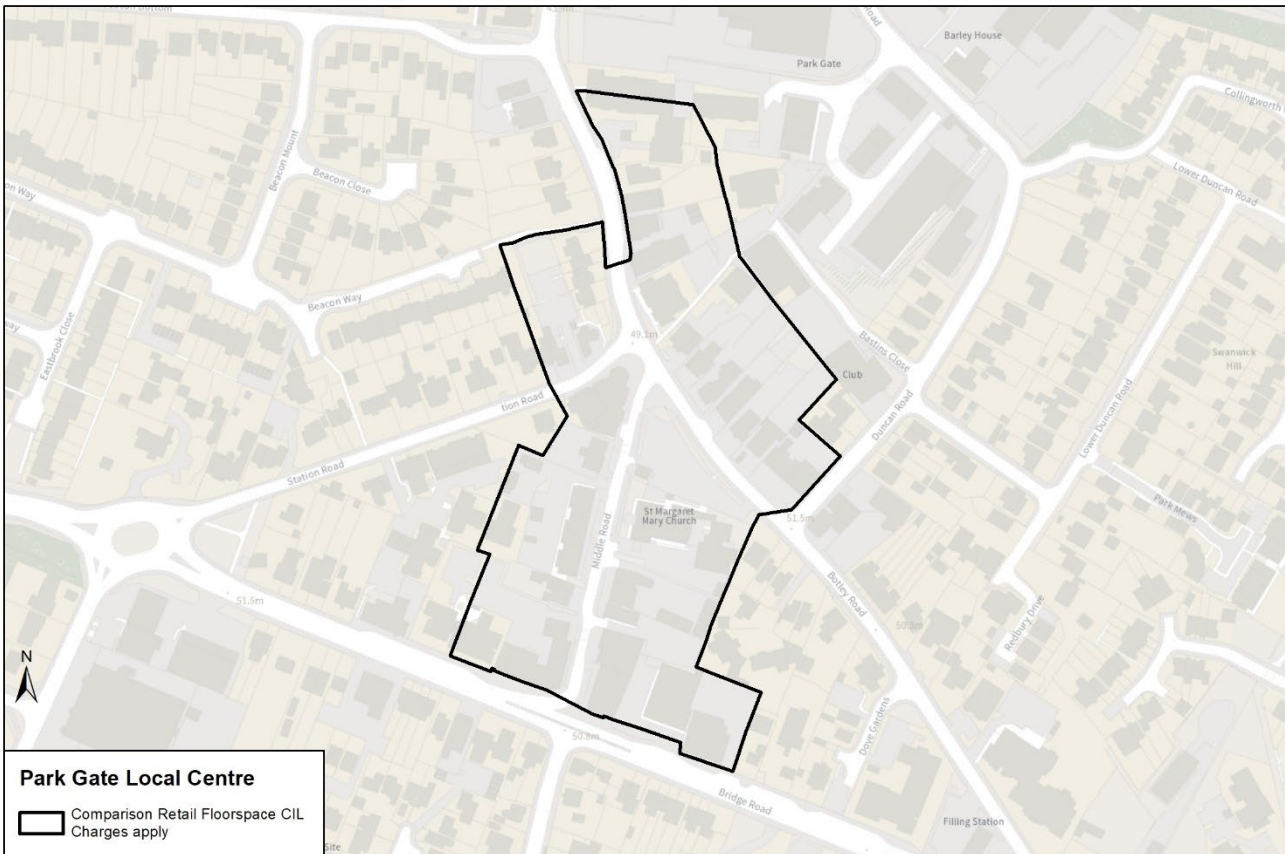
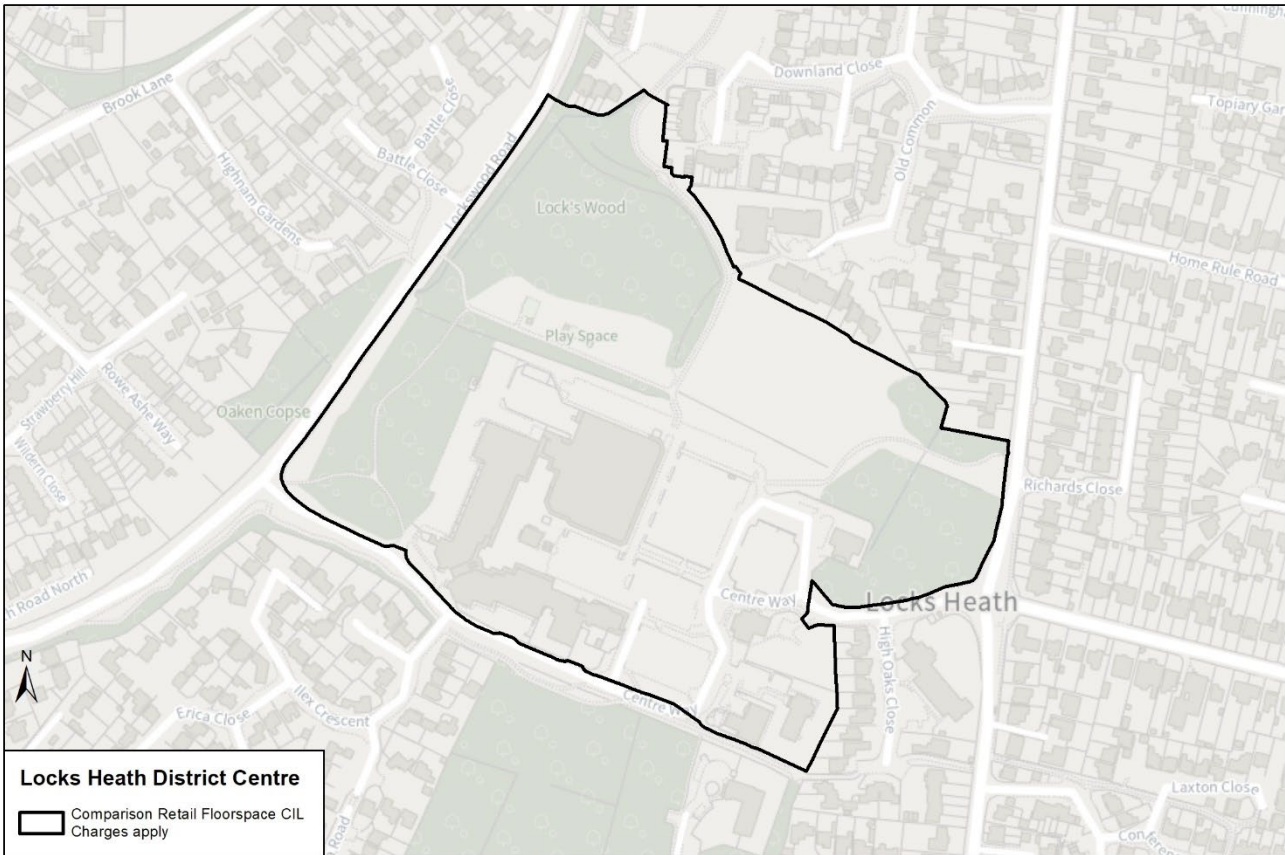
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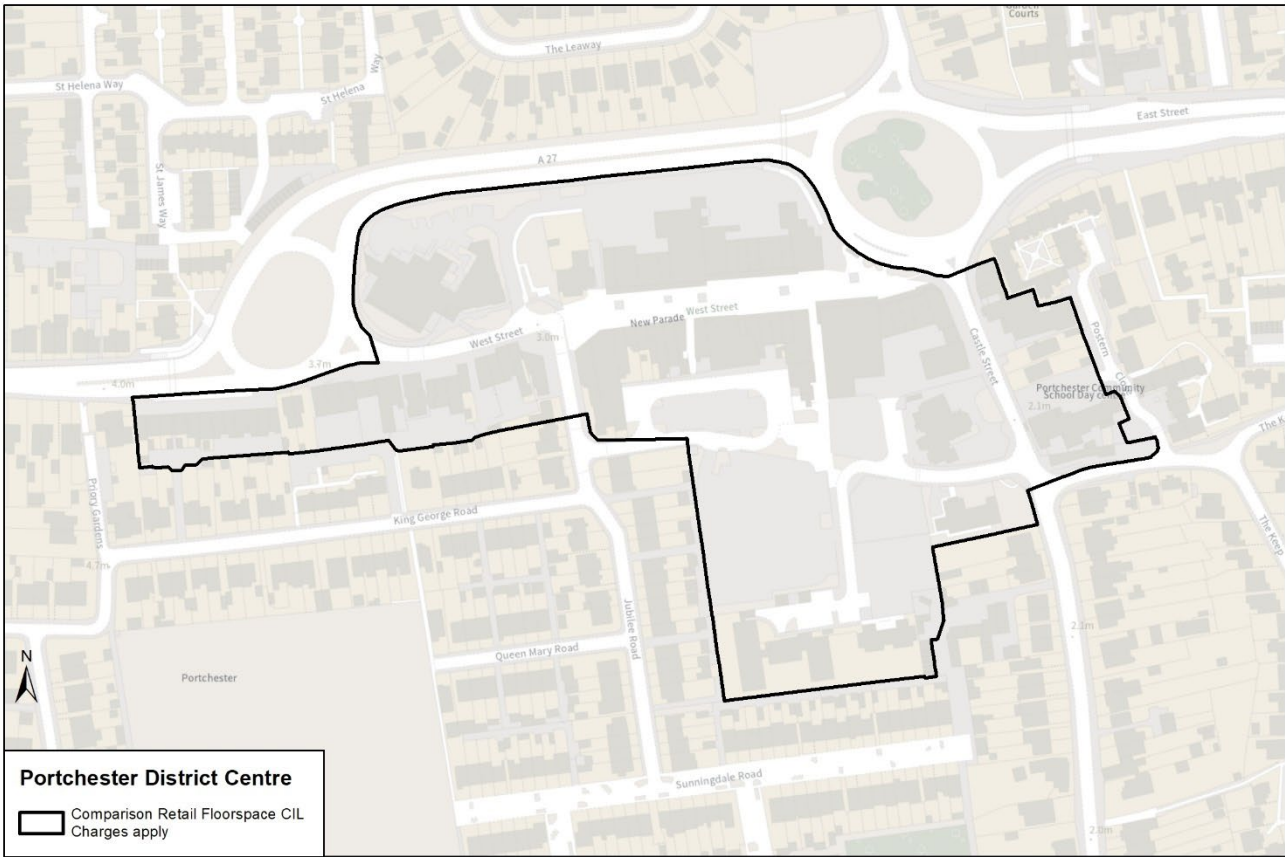


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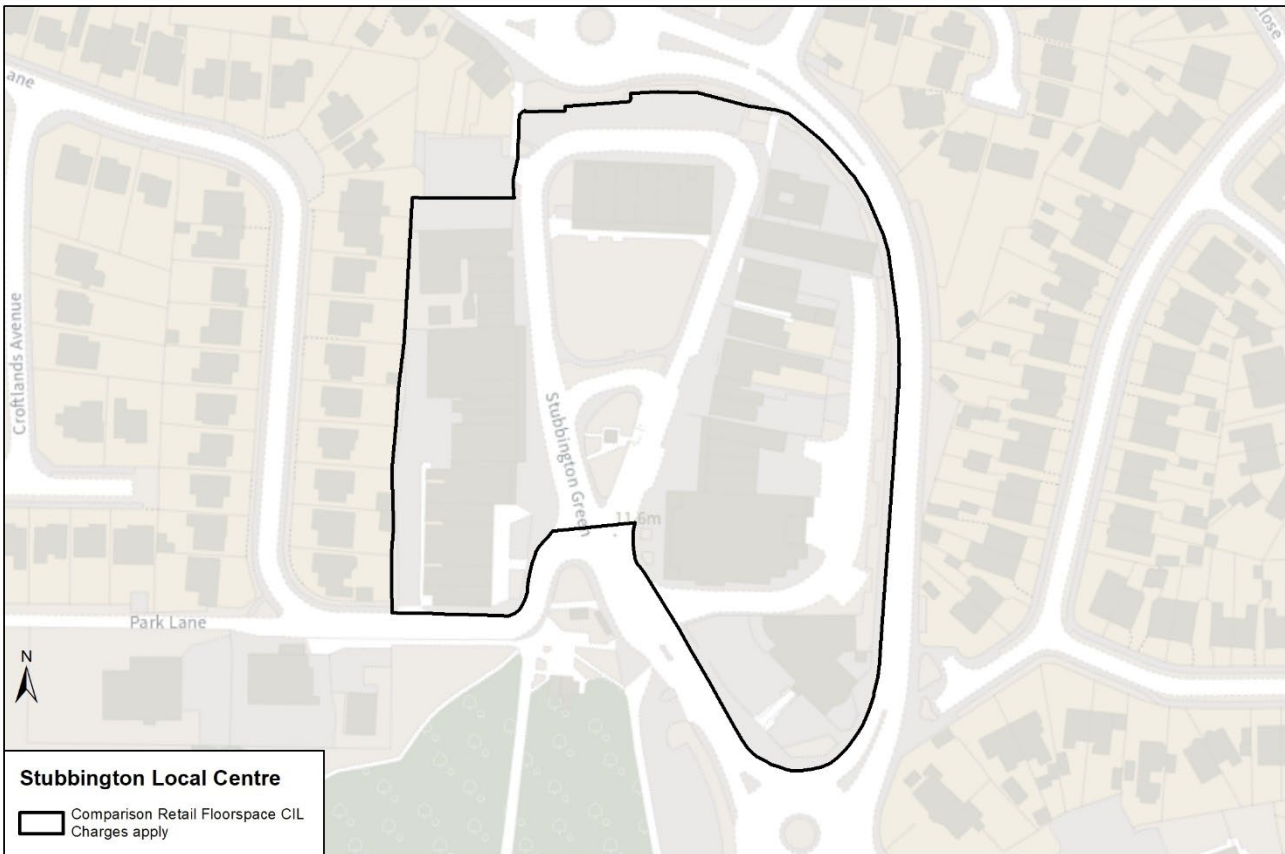


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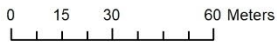
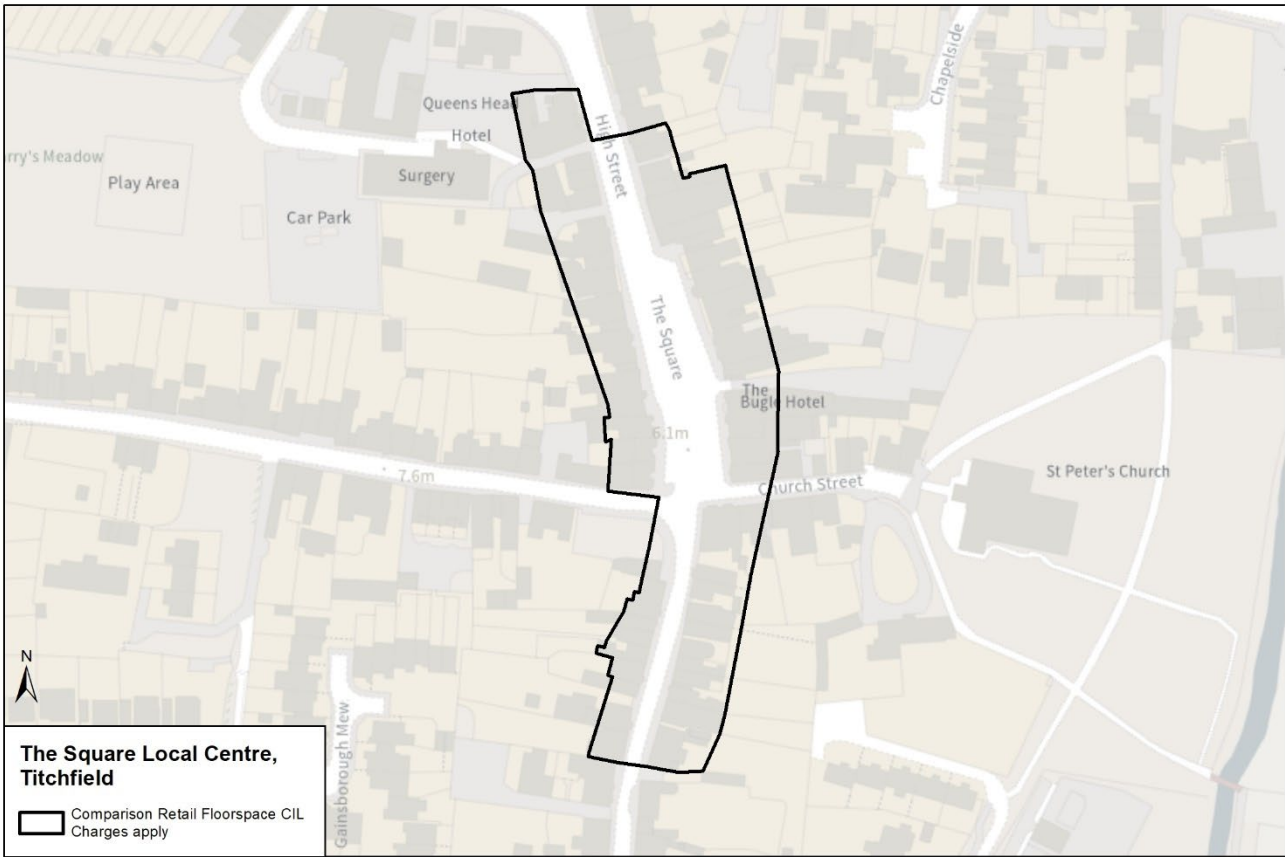




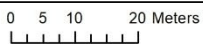
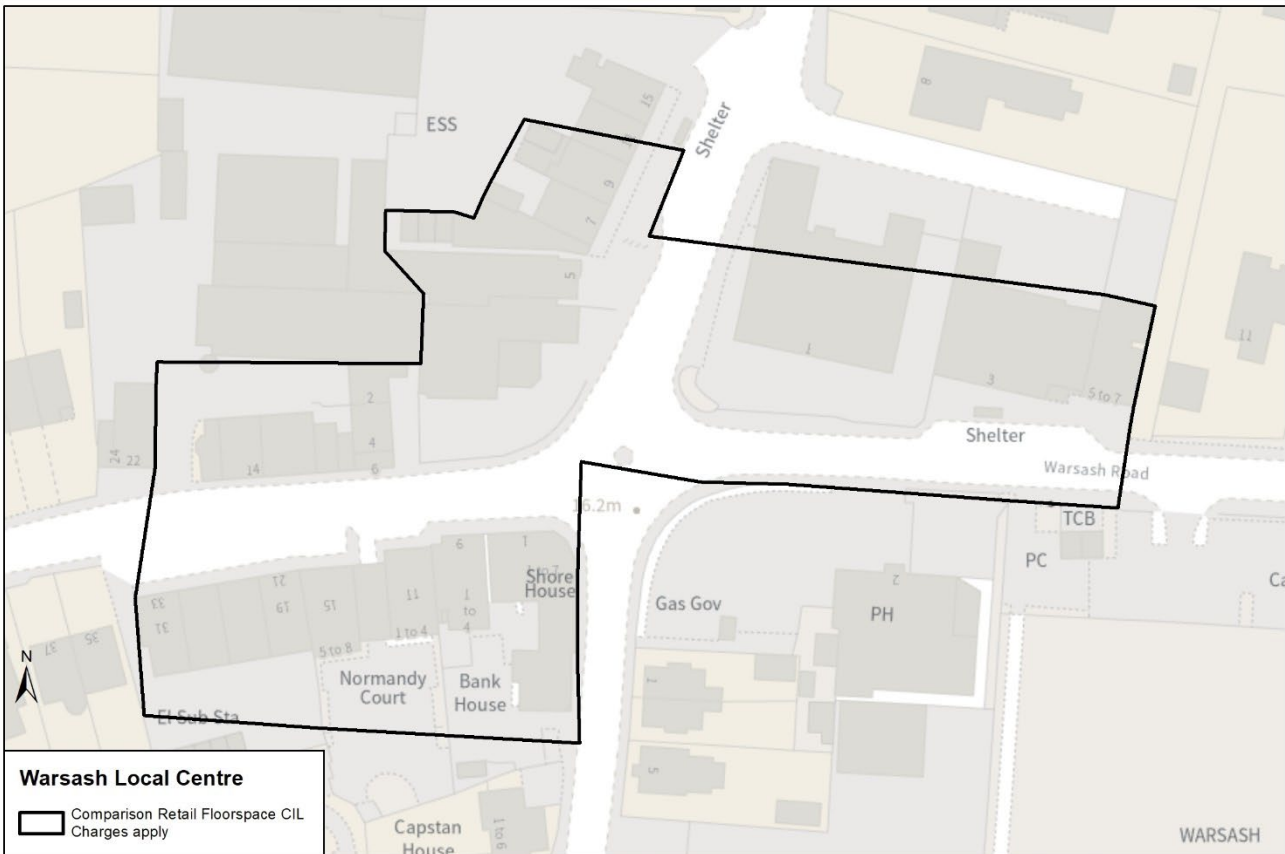
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Fareham Borough Council

**Community Infrastructure Levy Charging Schedule
Review**

**Regulation 19 Representation Statement
And
Statement of Modifications**

June 2023

Regulation 19 Representation Statement

1. Fareham Borough Council consulted on a revised charging schedule for 6 weeks 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 announcement was also on the Council's 'Have Your Say' and Planning Strategy website consultation pages.
2. A total of 8 representations were made from organisations and individuals. The following sets out the representations made along with the response from the council.
3. The council has received two requests from representors to take part in the Examination:
 - Miller Homes
 - Hallam Land Management

Statement of Modifications

4. Under the provisions of the CIL Regulations 2010 (as amended), the Council is able to modify the CIL Draft Charging Schedule following publication and consultation. Where changes are proposed, the Council is required to produce a Statement of Modifications, inform consultation bodies invited to make representations on the Draft Charging Schedule, and provide an opportunity to request a right to be heard by the Examiner in relation to the proposed changes.
5. The Council is proposing one modification which is set out following the Responses and Council Response section.

Representations and Council Response

| Name / organisation | |
|-----------------------------------|----------------------------------|
| Southern Water | |
| Summary of the main issues raised | Fareham Borough Council response |
| No comments. | Noted. |

| Name / organisation | |
|---|--|
| Hampshire and Isle of Wight Fire and Rescue Service | |
| Summary of the main issues raised | Fareham Borough Council response |
| There is no specific reference to emergency services in the consultation document but lists the increase of traffic and people to the area. HIWFRS enquires how emergency services can request CIL funding to invest in facilities to prepare for the influx. | <p>Comments noted but no changes considered necessary.</p> <p>The Council currently determines how it spends CIL money through the Executive process. The Council does not invite requests for projects to be funded.</p> <p>The Local Plan Infrastructure Delivery Plan identified HIWFRS requirements, and the Council has been in discussions with the Service as to how it can help facilitate new infrastructure development.</p> |

| Name / organisation | |
|---|---|
| Resident 1 | |
| Summary of the main issues raised | Fareham Borough Council response |
| <p>It seems right and proper that developers pay for the infrastructure which facilitates them making vast profits on new builds.</p> <p>1) Developers should absolutely pay CIL on older persons retirement accommodation on Green Field sites. These units are sold on the open market to the over 55's with good resources</p> <p>2) It would have been helpful if you'd referenced why Welborne is rated 0% for CIL. I'm sure there was a deal done some while ago (possibly as Government funding was procured to cover it?) but just showing it as exempt leaves a question as to why that is.... otherwise the comment would be that Welborne will require vast amounts of infrastructure (not least a new M27 junction) and so why should the developers not pay for that?!</p> | <p>Comments noted and support welcomed but no changes considered necessary.</p> <p>The Charging Schedule sets a charge for older persons housing schemes on greenfield land. The charge is set lower than traditional residential however, as there are a lot more costs involved in these schemes, therefore making viability more marginal.</p> <p>Welborne was the subject of a separate viability study and CIL examination in 2020. The process concluded that due to the substantial developer contributions being sought from the site to pay for the infrastructure including the new motorway junction, 3 new schools (likely to be in excess of £300 million total value) that any additional CIL liability would detrimentally impact the viability of the scheme.</p> |

| Name / organisation | |
|---|---|
| Historic England | |
| Summary of the main issues raised | Fareham Borough Council response |
| <p><u>Funding through CIL.</u> The CIL covers a wide definition of infrastructure in terms of what can be funded by the levy and is needed for supporting the development of an area. This can include:</p> <ul style="list-style-type: none"> • open space: as well as parks and gardens, this might also include | <p>Comments noted but no changes considered necessary.</p> <p>The Council currently determines how it spends CIL money through the Executive process and publishes how it has spent CIL, and how it</p> |

| | |
|---|---|
| <p>wider public realm improvements, possibly linked to a National Lottery Heritage Fund scheme, and green infrastructure;</p> <ul style="list-style-type: none"> • ‘In kind’ payments, including land transfers; this could include the transfer of an ‘at risk’ building; • Repairs and improvements to and the maintenance of heritage assets where they are an infrastructure item as defined by the Planning Act 2008, such as cultural or recreational facilities. <p>The Localism Act 2011 also allows CIL to be used for maintenance and ongoing costs, which may be relevant for a range of heritage assets, for example, transport infrastructure such as historic bridges or green and social infrastructure such as parks and gardens. Historic buildings may offer opportunities for business or employment use – infrastructure to support economic development. Investment in heritage assets and the wider historic character of an area may stimulate and support the tourism offer and attractiveness of a place to retain and attract economic development. For example, this may entail work on listed buildings at risk, noting too a local Building at Risk Survey was organised by the Council in 2006 (we’re unaware if this has been refreshed). Conversely, vacant or underused heritage assets not only fail to make a full contribution to the economy of the area, but they also give rise to negative perceptions about an area and discourage inward investment. We therefore suggest that the Council consider if any heritage-related projects in the Borough would be appropriate for CIL funding. The Local Plan’s evidence base may demonstrate the specific opportunities for CIL to help deliver growth and in so doing meet the Plan’s objectives for the historic environment.</p> | <p>intends to spend future CIL through the published Infrastructure Funding Statements.</p> |
| <p><u>Impacts on viability</u> The Council should also be aware of the implications of any CIL</p> | <p>Comments noted but no changes considered necessary.</p> |

rate on the viability and effective conservation of the historic environment and heritage assets in development proposals. For example, there could be circumstances where the viability of a scheme designed to respect the setting of a heritage asset in terms of its quantum of development could be threatened by the application of CIL. There could equally be issues for schemes which are designed to secure the long-term viability of the historic environment (either through re-using a heritage asset or through enabling development). Paragraph 190 of the National Planning Policy Framework requires plans to set out a positive strategy for the conservation and enjoyment of the historic environment, including heritage assets most at risk through neglect, decay or other threats. In relation to CIL, this means ensuring that the conservation of heritage assets is taken into account when considering the level of the CIL to be imposed so as to safeguard and encourage appropriate and viable uses for the historic environment. We consider it essential, therefore, that the rates proposed in areas where there are groups of heritage assets at risk are not at a level that would be likely to discourage schemes being brought forward for their reuse or associated heritage-led regeneration. In such areas, there may be a case for lowering the rates charged.

In addition, we encourage local authorities to assert in their CIL Charging Schedules their right to offer discretionary CIL relief in exceptional circumstances e.g. where development which affects heritage assets and their settings and/or their significance, may become unviable if it was subject to CIL. In such circumstances, we urge local authorities to offer CIL relief and for the conditions and procedures for CIL relief to be set out in a separate statement following the Charging Schedule. The statement could set out the criteria to define exceptional circumstances and provide a clear rationale for their use, including the justification in terms of the

The Council notes the concerns regarding the impact on historically sensitive development of a potential CIL charge. The Council has previously taken the decision to not include Discretionary relief for exceptional circumstances as it was not considered that there are merits for this within the borough given that exceptional circumstances can only be granted where a) there is a section 106 in place, and b) the cost of complying with the s106 is greater than the chargeable amount in respect of CIL. This is still unlikely to be the case where heritage assets are concerned given the small scale nature of the schemes involved. However, flattened development within the town centre (which includes the historic assets along the high street) is zero rated as set out in the Charging Schedule.

public benefit (for example, where CIL relief would enable the restoration of heritage assets identified on Historic England's Heritage at Risk Register). The statement could also reiterate the need for appropriate notification and consultation.

Name / organisation

The Planning Bureau Limited on behalf of McCarthy and Stone

Summary of the main issues raised

We have reviewed the Viability Assessment (VA), November 2022 by Three Dragons with respect of older person's housing. We support the Council on their decision to test the viability of a number of forms of specialist accommodation for the elderly including sheltered (retirement living), extra care (supported living) and care homes on both brownfield and greenfield sites.

As an outcome of the testing of these typologies the Council are providing a separate reduced levy rate of £28 per m2 for Sheltered housing on greenfield sites in line with the conclusion of the VA at para 5.34 that states 'If the Council is minded to have a charge on just the retirement (sheltered) form of accommodation then with a reasonable buffer (at 50% of the headroom), the CIL rate could be £28/sq m. This would represent just under 1% of GDV for the tested scheme, so would be reasonable rate of CIL to apply.'

We note that all of the other older persons housing typologies tested resulted in a negative headroom. This is identified at para 5.31 and 5.32 of the VA that confirms:
'5.31 In terms of the retirement (sheltered) homes it is noted that

Fareham Borough Council response

Comments noted and support welcomed.

The Council agrees that the wording of the Charging Schedule consulted upon is ambiguous and could be improved. The Council is therefore proposing a revised description of development as a proposed modification to the Charging Schedule. The footnote to the Charging rates table sets out the definition of sheltered housing for further clarity and this will remain.

| | |
|--|--|
| <p>on greenfield sites these show a small headroom but not at a level that would be able to accommodate the standard residential proposed rate of £195/sq m. However, for sheltered homes on higher value brownfield land the headroom is negative.</p> <p>5.32 The assisted (extra care) homes are less viable than sheltered homes due to the higher development costs for this form of older person homes. It would not be viable on the basis of this testing approach with any CIL rate for either greenfield or brownfield sites.'</p> <p>Given the reduced rate for sheltered housing (greenfield) that has been detailed within the charging schedule, we would recommend that the conclusion of the VA with respect to other forms of older person's housing is clarified within the charging schedule. This is in order for the schedule to be clear that proposals for older person's housing other than for sheltered (greenfield), are exempt from the CIL charge.</p> <p>We therefore recommend that the following wording is added to the 'Standard Charge' box: 'Standard charge (applies to all development not separately defined above, for example, offices, warehouses, leisure, education facilities, extra-care housing on greenfield and brownfield sites, sheltered housing on brownfield sites and care homes'.</p> <p>This would provide clarity to the draft CIL charging schedule and ensure that the schedule is consistent with its own evidence and therefore with national policy.</p> | |
| <p>Notwithstanding the above support and recommended amendment, it is noted that the Council also have updated draft</p> | <p>Comments noted but no changes considered necessary.</p> |

| | |
|---|--|
| <p>Planning Obligations SPD (draft SPD) out for consultation. The Council should note that some elements of the draft SPD have not been included in the VA, e.g. tree maintenance, or have been included, but the financial contribution in the VA is not as great as that expressed within the draft Planning Obligations SPD e.g. open Space provision and maintenance. The Council should therefore either incorporate the requirements expressed within the draft SPD within the VA and make corresponding changes to the CIL charging schedule and reconsult or delete the requirements from the draft Planning Obligations SPD. This would ensure that the draft Planning Obligations SPD is consistent with the PPG on Planning Obligations Paragraph: 004 Reference ID: 23b-004-20190901 which states: ‘Policies for planning obligations should be set out in plans and examined in public. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land’</p> | <p>The Viability study undertook a sensitivity test to reflect the potential cost increase based on figures proposed in the Planning Obligations SPD. The process for this is included in paragraph 5.15 onwards in the Viability Study. The result of this sensitivity test was that the headroom reduced. However, when including the cumulative impact of the other sensitivity tests, the results suggest that the headroom is still comfortably within the headroom buffer, meaning a positive CIL rate proposed remains viable. Noting that the cumulative impact is presenting a worst case scenario in terms of costs.</p> |
|---|--|

| Name / organisation | |
|---|---|
| Terrence O’Rourke on behalf of Miller Homes | |
| Summary of the main issues raised | Fareham Borough Council response |
| <p>MH key concern is that the scale of change proposed on residential CIL rates is considerable. The proposed increase in rates is c. 85% (from the current £105 to £195 per sqm), therefore it is likely that development sites that have been procured or agreed to purchase under the existing CIL regime and will be delivered under the new regime will be those most affected. This includes many sites that have taken the time to progress through the Council’s preferred system of promotion for allocation and</p> | <p>Comments noted but no changes considered necessary.</p> <p>The proposed CIL rates are an increase on the currently adopted rates (set in 2013) and whilst the base rate is currently £105, the rate has increased as a result of indexation as per the CIL regulations, with the current charge (2023) being £167.50. The new charge reflects a range of considerations including the significant increase in market sales values since the adoption of the current Charging</p> |

| | |
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| <p>allocation in the Plan, before making a planning application. For these sites in particular, there is a risk that if after factoring in updated CIL costs those schemes are no longer able to deliver policy compliant sums for contributions sought (under the obligations SPD) and a policy compliant amount of affordable housing. It is understood that in developing a borough wide CIL study the Council is required to consider generic development. However, on a site-specific basis we would highlight the following considerations;</p> | <p>Schedule in 2013. The Council is comfortable therefore that viability of schemes will not be unduly affected by the increase in the levy, given the increase in values across the borough.</p> |
| <p>A single £/sqft rate to calculate residential gross development value (GDV) applicable to all development sites across the borough is likely to overestimate value in some parts of the borough. Where this is the case, it should be expected that affordable housing will be reduced on site specific applications to balance the additional CIL requirement.</p> | <p>Comments noted but no changes considered necessary.</p> <p>Paragraph 4.7 onwards of the viability study explains why a single value area has been used across the borough and is consistent with the recently found sound approach supporting the Local Plan. Whilst accepting that there will always be localised variances on any single scheme, the assumptions around values, which are based on Land Registry sales values evidence, are considered to be realistic. The significant headroom in the results mean that even when values are under the average there is still sufficient scope for CIL and the s106 requirements.</p> |
| <p>The adoption of reduced Building Cost Information Service (BCIS) build rates for larger sites assuming economies of scale is only relevant if an entire development site is delivered by a single developer. It is very common on large sites that several developers will build out phases and sell from multiple outlets, thereby making it impossible to achieve the economies of scale assumed (supporting lower build costs) as the delivery is not carried out by a single entity. This point is recognised in the sales timing section to speed up delivery from 100 unit sites, therefore no further</p> | <p>Comments noted but no changes considered necessary.</p> <p>The Council disagrees with the assertion in regard to economies of scale. As indicated in para 4.21 CIL VA, research by BCIS and evidence from other viability studies shows that economies of scale from larger sites is a common approach underpinned by reality. Please note that the lowest rate of build costs only applies to sites of over 250 dwellings (Table 4.8 CIL VA).</p> |

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| reduction to BCIS rates should apply from this point (100 units) onwards. | |
| A 10% allowance for external works and contingency for schemes over 10 units is too low. The 15% allowance should be used to a much greater threshold, if not throughout. | <p>Comments noted but no changes considered necessary.</p> <p>The 10% allowance for external works and contingency for schemes over 10 units is considered appropriate as these sites also include a separate further allowance for site infrastructure as well as a separate additional allowance for garages (100% 4 beds & 50% 3 beds). In combination this amounts to a substantial cumulative allowance for larger sites.</p> |
| A 6% finance rate is not representative of the current market. It should be 7% as an all in equivalent rate now. It is much higher than this for SME developers. | <p>Comments noted but no changes considered necessary.</p> <p>A sensitivity test was carried out to reflect a notional increase in finance rates at 10%. This is set out in para 5.9 CIL VA. Greenfield typologies see a reduction in headroom but are still considered to be viable. The significance is less than the brownfield typologies.</p> |
| Based on the above, and after factoring in the updated proposed CIL costs as well as the updated planning obligation contributions sought, there is a real risk that allocated sites may no longer be able to deliver policy compliant viable schemes with such a significant increase in total cumulative costs. Any increase should be proportionate, transparent and based on evidence (with regard to the actual and expected cost of infrastructure, viability of development, other actual or expected sources of funding for infrastructure and administrative expenses in connection with the levy), ensuring that changes do not undermine the deliverability of the Local Plan, in accordance with paragraph 34 of the National Planning Policy Framework (2021) and the National Planning Practice Guidance (Paragraph: 005 Reference ID: 23b-005- | <p>Comments noted but no changes considered necessary.</p> <p>The Viability study undertook a sensitivity test to reflect the potential increase based on figures proposed in the Planning Obligations SPD. The process for this is included in paragraph 5.15 onwards in the Viability Study. The result of this sensitivity test was that the headroom reduced. However, when including the cumulative impact of the other sensitivity tests, the results suggest that the headroom is still comfortably within the headroom buffer, meaning a positive CIL rate proposed remains viable. Noting that the cumulative impact is presenting a worst case scenario in terms of costs.</p> |

20190315, Paragraph: 010 Reference ID: 25-010-20190901, Paragraph: 016 Reference ID: 25-016-20190901).

MH would also request the 'right to be heard' at the examination if necessary.

Name / organisation

LRM Planning on behalf of Hallam Land Management

Summary of the main issues raised

Viability assumptions
 Amongst the typologies considered in the Viability Assessment is a large greenfield site – allocation R14. This represents 1000 new homes on a greenfield site. This is the closest comparable to HA55, albeit HA55 is some 25% larger and, as described, has specific policy requirements and prescriptions that are not accounted for in this typology's assumptions. Table 3.1 suggests a density of 35 dwellings per hectare, whereas the Supporting Masterplan Principles document requires an average of 43 dwellings per hectare across the allocation. Table 3.1 also suggests a gross to net ratio of 60:40, whereas the policy prescriptions result in a gross to net ration of 75:25 for HA55

Fareham Borough Council response

Comments noted but no changes considered necessary.

The PPG guidance on Viability emphasises the need for proportionate evidence, and states at paragraph 004 that

'A typology approach is a process plan makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward for development over the plan period.'

In following this process plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development. The characteristics used to group sites should reflect the nature of typical sites that may be developed within the plan area and the type of development proposed for allocation in the plan. The Council is confident that what has been tested broadly reflects the type of development, and that the sensitivity tests undertaken provide headroom that will account for some of the issues raised.

'Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology'.

The viability study, whilst not mentioning HA55 in paragraph 2.6 does consider a greenfield large mixed scheme of 1,000 dwellings as a typology. This was an approach agreed for the Local Plan and CIL Review Viability Assessment at the development industry workshop in 2019, in which Hallam Land Management took part, as an appropriate typology (Appendix G of the CIL Viability Assessment).

This approach was used and tested through the Local Plan examination and found to be appropriate and continued for the CIL review. The assessment uses a set of assumptions and costs that are applied to all typologies and are therefore a standard set of assumptions that are based on accepted and examined practice, both local and national. The viability testing therefore uses a suitable set of generic typologies for large sites whereas some of the points made in the representation refer to specific characteristics being currently discussed as part of a planning application.

It is not possible to pre judge the outcome of these planning application discussions which is why the assessment relies on suitable and reasonable typologies. Should the deviations from the standard assumptions lead to viability considerations then these will be considered through the application process, however the Council is firmly of the belief that there is sufficient headroom within the modelling to account for those changes and that this is highlighted in

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| | table 5.8 of the report that shows an 85% buffer for the £195 charge, and 3.1% of GDV for the typology. |
| <p><u>Viability assumptions Housing Mix</u> The form of development set out in the Masterplanning Principles associated with HA55 requires not just a higher density of development than assumed in the equivalent typology, but also a housing mix that has a disproportionate amount of one and two bedroom and flatted accommodation in comparison to a conventional greenfield development. These two factors are interrelated. By their very nature the values associated with these types of dwellings are less.</p> | <p>Comments noted but no changes considered necessary.</p> <p>The viability testing uses a suitable set of generic typologies for large sites whereas some of the points made in the representation refer to specific characteristics being currently discussed as part of a planning application.</p> <p>It is not possible to pre judge the outcome of these planning application discussions which is why the assessment relies on suitable and reasonable typologies.</p> |
| <p><u>Viability assumptions values and development costs</u> We infer from the Viability Assessment that the data sets employed are derived from a desk-based assessment over the past five years. During this time, we have experienced the depths of the pandemic which artificially enhanced market values, particularly in areas by the coast such as Fareham. The market is clearly less buoyant today but that will not have been factored into the evidence collated to support the Viability Assessment. Moreover, there has been a marked increase in inflation both in terms of build and labour costs, far in excess of longer term economic position that preceded 2020. It would be reasonable to describe the economic outlook as most uncertain at the present time and the prospect of a recession is ever present at the current time. Over the development lifecycle of HA55, a stagnant economy and market absorbing increasing in costs is very much a possibility.</p> <p>The extent to which HA55 can absorb additional development costs via CIL without any commensurate off-setting of obligations</p> | <p>Comments noted but no changes considered necessary.</p> <p>The VA is a point in time, and it is recognised that costs and values will vary over the intended lifetime of charging schedule, which is why a buffer is used in setting the recommended rates. Furthermore, the results of the sensitivity testing (Table 5.7 CIL VA) which include a cumulative range of higher cost factors shows that there remains a substantial viability headroom for the larger sites.</p> <p>We note that some of the points raised in the representation are related to wider housing market delivery issues rather than viability.</p> |

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| <p>is highly questionable. The base data is set out in Appendix D. This data set is that which was used in 2021 adjusted by a House Price Index and undertaking a sensitivity check in Summer 2022 based on asking prices. That data will have been distorted by the impacts on the market during the pandemic where conditions were exceptionally buoyant. It does not take account of the post covid situation and the increase in interest rate scenario which is now causing the market to readjust. Build Costs have and are continuing to increase dramatically due to shortage of supply and inflation even since the BCIS data taken from August 2022. We believe build costs are too low.</p> | |
| <p><u>Viability assumptions development costs</u> Moreover, flatted development which is significantly more costly to build (see table 4.8) and this has contributed to flatted development in Fareham Town Centre being Zero rated. HA55, because of the nature of the development, will comprise a significant proportion of flatted development (20%), which is greater than the assumption in RF14 typology.</p> | <p>Comments noted but no changes considered necessary.</p> <p>RF14 typology includes 189 flats across market and affordable tenures equivalent to c19%.</p> |
| <p><u>Viability assumptions development costs</u> Finance at 6% is too low particularly when considering current prevailing conditions.</p> | <p>Comments noted but no changes considered necessary.</p> <p>A sensitivity test was carried out to reflect a notional increase in finance rates at 10%. This is set out in para 5.9 CIL VA. Greenfield typologies see a reduction in headroom but are still considered viable.</p> |
| <p><u>Viability assumptions development costs</u> Similarly, agent and Legal fees can be expected to be 3% not 1.75%</p> | <p>Comments noted but no changes considered necessary.</p> <p>Table 4.9 CIL VA sets out marketing/legal/sale costs at 3% (nominally set at 1.5%/0.5%/1% respectively) of GDV as well as a further legal allowance of £500 per affordable unit. Table 4.9 also identifies an allowance for costs associated with land purchase of 1.75%</p> |

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| | (nominally set at 1% agents and 0.75 for legal). Both these allowances are within the range of CIL and Local Plan viability studies found sound at examination. |
| <u>Viability assumptions development costs</u> Benchmark Land Values, based on 2019 figures are now out of date | Comments noted but no changes considered necessary. Paras 4.39 – 4.48 and Appendix F CIL VA set out the sources and estimates of existing use and the premium applied in order to estimate an EUV plus approach to benchmark land values. |
| <u>Viability assumptions policy and mitigation costs</u> For Solent Mitigation, HA55 is required to provide accessible greenspace as part of the development to accord with Criterion (g). This is provided for as part of the Illustrative Masterplan on land to the north of Tanners Lane and West of Peak Lane – accessible greenspace measures approximately 25 hectares in size, equivalent to 8ha per 1000 population and significantly in excess of the reference in the Local Plan to 2 ha per 1000 population for alternative natural greenspace (paragraph 9.135 refers). Irrespective of this, Natural England has expressed a view that, in addition to the proposed quantum of accessible greenspace, the full financial contribution to the Solent Recreational Mitigation Strategy is sought. Plainly the sums of £390 - £864 per dwelling in Table 4.9 bear no relationship to the actual costs of meeting Criterion (g). Natural England are also seeking financial contributions towards the Council's New Forest Interim Mitigation Strategy. Whilst Criterion (g) intends that the accessible greenspace mitigates the potential recreational disturbance at the New Forest, these financial contributions are not reflected in Table 4.9, and is only treated as a Sensitivity Test. | Comments noted but no changes considered necessary. The viability testing uses a suitable set of generic typologies for large sites whereas some of the points made in the representation refer to specific characteristics (such as the alternative natural greenspace) being currently discussed as part of a planning application. It is not possible to pre judge the outcome of these planning application discussions which is why the assessment relies on suitable and reasonable typologies. However, there is an allowance to meet the Solent Recreational Mitigation Strategy (£390 to £864 – dependant on size of unit). A sensitivity test was carried out to reflect the potential introduction of the New Forest Interim Mitigation Strategy. This is set out in paras 5.15-5.18 CIL VA. Greenfield typologies see a reduction in headroom but are still viable. |
| <u>Viability assumptions policy and mitigation costs</u> | Comments noted but no changes considered necessary. |

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| <p>Under the heading “other non-affordable homes Section 106 requirements”, the total s106 allowances range from £8,200 to £8,700 with general housing at the higher end of the range. The broad split is referred to as:</p> <ul style="list-style-type: none"> • £3,500 towards education requirements; • £2,000 towards transport related requirements; and • £3,200 towards open space including management and maintenance. In the previous Section it has been illustrated how, simply for education alone, this range is exceeded; the education contribution in isolation is twice the total allowance proposed. Plainly these costs in Table 4.9 bear no relationship to the actual costs of meeting Policy HA55. | <p>The viability testing uses a suitable set of generic typologies for large sites whereas some of the points made in the representation refer to specific characteristics being currently discussed as part of a planning application.</p> <p>It is not possible to pre judge the outcome of these planning application discussions which is why the assessment relies on suitable and reasonable typologies.</p> <p>As stated in para 4.32 CIL VA s106 allowances were based on a review of recent agreements, an approach supported by PPG which states ‘Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology’</p> |
| <p><u>Viability assumptions - Sales and build cash flow</u> Paragraph 4.36 indicates a build/sales rate of 150 dwellings per annum for a scheme of more than 500 units. This is different to that in the Borough Council’s trajectory at Local Plan Examination document FBC001, where the assumption is that the development will average a little more than 100 completions per annum. This has to be considered alongside site infrastructure costs in order to appreciate cash flow. Natural England has indicated that it requires the phases of green infrastructure to be laid out before first occupations; these are therefore upfront costs relative to each phase and have a negative effect on cash flow. Similarly, the education contributions are likely to be required early in the</p> | <p>Comments noted but no changes considered necessary.</p> <p>The viability testing uses a suitable set of generic typologies for large sites whereas some of the points made in the representation refer to specific characteristics being currently discussed as part of a planning application.</p> <p>It is not possible to pre judge the outcome of these planning application discussions which is why the assessment relies on suitable and reasonable typologies.</p> |

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| <p>development programme to allow that infrastructure to be available in a timely manner; this too will have a negative effect on cash flow. The greater the negative effect on cash flow, the greater the financing requirement and the greater the financial cost of the scheme. The suggestion that a) site infrastructure and preparation are incurred at 25% upfront and the remainder spread in line with sales period; and b) policy and mitigation costs will be spread evenly in line with build costs do not appear to hold true in the instance of HA55. To achieve this would require other obligations to be off set later in the development programme to mitigate the negative effect on cash flow.</p> | <p>Para 4.35-4.37 confirms that the approach to build and sales rates was found sound at the recent Local Plan examination.</p> |
| <p><u>Infrastructure Delivery Plan</u> The most recent Infrastructure Delivery Plan is dated September 2020. At paragraph 2.10 it states: “The Community Infrastructure Levy (CIL) is a planning charge on new development introduced by the Planning Act 2008 as a tool for local authorities to help deliver infrastructure to support the development of their area. All new development comprising one dwelling or more or net additional floorspace of 100m2 or more may be liable for a charge under the CIL. The charge must not be set at a rate which would render development unviable but should also have regard to the actual and expected cost of infrastructure. The IDP will play an important role in providing that assessment of the total cost of the required infrastructure.” It is not clear from the consultation what, if any, role this IDP has played in assessing the actual and expected cost of infrastructure.</p> | <p>Comments noted but no changes considered necessary.</p> <p>The Additional Modifications to the Local Plan¹ agreed with the Inspector, included an addendum to the 2020 Infrastructure Delivery Plan by way of an update. This update includes both allocation HA55 and the commitment to fund Fareham Live through CIL.</p> <p>The amended IDP, as included in the Additional Modifications to the Local Plan) in combination with the latest Infrastructure Funding Statement form part of the basis for demonstrating the funding gap as required by PPG.</p> |

¹ <https://moderngov.fareham.gov.uk/documents/s32974/Appendix%205%20Schedule%20of%20Additional%20Modifications%20to%20the%20Local%20Plan.pdf>

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| <p>HA55 is not referred to in the IDP because it predates its inclusion within the Local Plan. That said, the infrastructure requirements associated with that development are specified in the Policy itself where on site provision is required. The previous sections have shown how these measures, and those where funding is sought pursuant to Policy TIN4 exceed the assumptions that have been employed in the Viability Assessment. In some instances, the infrastructure elements required are to address existing deficiencies and meet needs of the existing communities.</p> <p>The absence of a consolidated IDP does not assist determining whether it would be more appropriate for HA55 to be excluded from CIL or alternatively how CIL will result in reduced Section 106 Obligations on the development. This is a matter that requires attention by the Council as was acknowledged by its consultants. Plainly, this has not happened.</p> | |
| <p><u>Use of CIL Funds</u> We understand that CIL funds are presently being used for the construction of a new arts venue to replace Ferneham Hall as part of the town centre regeneration area identified in the Local Plan. A Report to the Council's Executive in May 2022 indicates that the construction costs, totalling 16.9m, will be funded by its CIL reserves and future receipts.</p> <p>There is no reference to this project in the Local Plan's Infrastructure Delivery Plan, indicating no actual or perceived link between this project and the identified critical, important, or desirable infrastructure needed to support development in Fareham.</p> | <p>Comments noted but no changes considered necessary.</p> <p>The Additional Modifications to the Local Plan agreed with the Inspector, included an updated addendum to the 2020 Infrastructure Delivery Plan. This update includes both allocation HA55 and the commitment to fund Fareham Live through CIL.</p> <p>The Council currently determines how it spends CIL money through the Executive process and publishes how it has spent CIL, and how it intends to spend future CIL through the published Infrastructure Funding Statements.</p> |

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| <p>This is an important point in that the Planning Practice Guidance indicates that Local authorities must spend the levy on infrastructure needed to support the development of their area.</p> | |
| <p>The development at Welborne is exempt from CIL and it is helpful to consider the reasons for this. In introducing CIL in April 2013, the Council recognised the substantial site-wide infrastructure costs associated with the Welborne Garden Village and committed to an early review of the charging schedule to respond to evidence that was emerging in line with the preparation of the Welborne Plan (Part 3 of the Fareham Borough Local Plan).</p> <p>HA55 and Welborne are similar in having specific infrastructure requirements that are specified, albeit in a Policy rather than a Plan, namely on and off-site pedestrian and cycle links, off-site highway improvements, bus based public transport infrastructure, travel planning and associated costs, surface water drainage and water quality mitigation measures, early years, primary and secondary school education provision, community facility and health care, elderly persons accommodation, solent waders and brent goose mitigation, Solent and New Forest SPA recreation disturbance mitigation, sports hub, and allotments. This is comparable in nature to those measures identified in the Welborne Infrastructure Delivery Plan.</p> <p>When considering the Welborne Infrastructure Delivery Plan, it identified the total infrastructure and enable costs for 6,000 new homes to be £250,000,000. This equates to circa 40k per plot. Already we know that the education requirement alone on HA55 will equate to almost 40% of that sum. It would not be unreasonable to assume that the per plot infrastructure and enabling costs are similar to Welborne.</p> | <p>Comments noted but no changes considered necessary.</p> <p>The allocation does not compare to Welborne. Welborne is a development of 6,000 new dwellings, which requires significant infrastructure requirements such as a new motorway junction and 3 new schools (1 secondary, 2 primary). The decision to zero rate Welborne was established through significant viability work that showed the impact the additional CIL liability (in the region of £70million) would have on viability.</p> <p>It is the view of the Council that there is no evidence to the contrary of the viability study that the site in question at HA55 is not viable as a result of this proposed charge, and therefore does not warrant anything but the full charge.</p> |

That proposition must then be viewed through the lens of Welborne providing only 10% affordable housing. In other words, the infrastructure costs at Welborne are absorbed to a far greater extent by market housing.

In the event, Welborne was zero rated for CIL, yet it provides at best a comparable situation to HA55 and if considered in the context of the proportion of affordable housing, a more advantageous position.

Name / organisation

Natural England

Summary of the main issues raised

Natural England is a non-departmental public body. Our statutory purpose is to ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development.

Natural England does not consider that this Community Infrastructure draft Charging Schedule poses any likely risk or opportunity in relation to our statutory purpose, and so does not wish to comment on this consultation.

Fareham Borough Council response

Comments noted but no changes considered necessary.

Statement of Modifications

7. The Council has decided to amend the ‘types of development’ definitions set out in the Draft Charging Schedule, and as such have prepared this Statement of Modifications.
8. Under the provisions of the CIL Regulations 2010 (as amended), the Council is able to modify the CIL Draft Charging Schedule following publication and consultation. Where changes are proposed, the Council is required to produce a Statement of Modifications, inform consultation bodies invited to make representations on the Draft Charging Schedule, and provide an opportunity to request a right to be heard by the Examiner in relation to the proposed changes.
9. This Statement of Modifications sets out the modifications which have been made to Fareham Borough Council’s Revised Draft Charging Schedule.
10. The Draft Charging Schedule was published for consultation on Friday 17th March 2023 for six weeks. The Council received representations from 8 respondents to the Revised Draft Charging Schedule within this consultation period, which ended on Monday 1st May 2023. There were two requests to be heard at the examination.
11. As required under Regulation 19 of the Regulations, a copy of this Statement of Modifications has been sent to each of the persons that made a representation under Regulation 15 and it has been published on the Council’s website at: [Community Infrastructure Levy Charging Schedule \(fareham.gov.uk\)](https://www.fareham.gov.uk/community-infrastructure/levy-charging-schedule).
12. Any person may further request to be heard by the Draft Charging Schedule’s Examiner in relation to the modifications set out in this document. Any request must be made to the Council within four weeks beginning with the day on which the Draft Charging Schedule is submitted to the Examiner in accordance with Regulation 19 (1). Any representation requests must only be in relation to the modifications set out in this document.
13. The Charging Schedule and supporting document was submitted for examination on **Wednesday 14th June 2023**.
14. Any request to be heard by the Examiner in relation to these modifications must be:
 - Submitted to Fareham Borough Council in writing before **5pm Wednesday 12th July 2023**.
 - Include details of the modifications (by reference to this Statement of Modifications) on which the person wishes to be heard.
15. Persons requesting to be heard should indicate whether they support or oppose the modifications and explain why. In accordance with the Regulations, a copy of each request to be heard in relation to these modifications will be forwarded to the Examiner.
16. Requests to be heard may be withdrawn at any time before the opening of the Examination by giving notice in writing to Fareham Borough Council.

17. A request to be heard by the Examiner in relation to these modifications must be made in writing by post or email to:
- Planning Strategy
 - Fareham Borough Council
 - Civic Offices
 - Civic Way
 - Fareham
 - PO16 7AZ
 - Email: planningpolicy@fareham.gov.uk

Proposed Modifications:

18. The proposed modifications relate to two distinct areas. Firstly, clarity around Sheltered Housing schemes, and secondly in relation to retail uses.
19. In relation to sheltered housing schemes, three alterations have been made to the 'type of development' definition, identified as M1a,b and c. These changes are intended to provide further clarity on what is included and not included in the charge on Sheltered retirement living schemes.
20. In relation to retail uses, As consulted upon, the charging schedule does not directly refer to 'other' retail uses in town centre, which the viability evidence shows is viable in terms of supporting a CIL charge. This proposed change would apply to new build convenience retail within Town Centres as identified in Figure 3 of the Charging Schedule.
21. The majority of planning applications in the town/district centres for retail uses are usually change of use, or very rarely, redevelopment and replacement floorspace. Planning records from the past 5 years indicate this change would not have applied to any planning permissions issued. The modification is proposed for completeness and would likely have no or very limited impact in CIL receipts going forward.

| Mod id. | Type of Development ² | CIL charge per m ² | |
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| | | Rest of Fareham Borough | Welborne ³ |
| M1a | Residential falling within Class C3(a) & (e) and C4 with the exception of older person sheltered housing <u>excepting:</u> | £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 |
| M1b | Development falling within Class C3 comprising retirement living (sheltered ⁴) on greenfield sites. | £28 | £0 |
| M2 | All retail falling within Class E outside of centres as shown on figure 3 in the maps annexed to this schedule <u>(a) excepting:</u> | £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 |
| M1c | Standard Charge (applies to all development not separately defined above, for example: offices, warehouses and leisure and educational facilities <u>extra-care/assisted housing on greenfield and brownfield sites, sheltered housing on brownfield sites and care homes.</u>) | £0 | £0 |

² References above to Classes are to the Use Classes as set out in the Town and Country Planning (Use Classes) Order 1987 (as amended).

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 ~~Reference to "comparison retail" means the selling of clothing and fashion accessories, footwear, household appliances (electric or gas), carpets and other floor coverings, furniture, household textiles, glassware, tableware and household utensils, computers, books, stationery and art materials, recorded music/videos, recording media and equipment, audio-visual equipment, musical instruments and accessories, games and toys, photographic, video and optical equipment, DIY equipment for the maintenance and repair of dwellings, tools, jewellery, clocks and watches, sports equipment, goods for outdoor recreation, telephony equipment and bicycles and accessories~~ **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.



AN EXAMINATION UNDER SECTION 212
OF THE PLANNING ACT 2008 (AS AMENDED)

**REPORT ON THE DRAFT FAREHAM BOROUGH COUNCIL
COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE**

Independent Examiner (appointed by the Council):
Keith Holland BA (Hons) Dip TP MRTPI ARICS

Charging Schedule Submitted for Examination: **14 June 2023**

Date of Report: 26 October 2023

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Main Findings - Executive Summary

In this report I have concluded that, subject to modifications, the draft Fareham Borough Council Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area.

Two modifications are necessary to meet the drafting requirements. These can be summarised as follows:

1. Clarification about the type of sites on which care homes will have a £0 charge (**EM1**).
2. Exclude the allocation site HA55 from the Rest of Fareham Borough charge (**EM2**).

The specified modifications recommended in this report do not alter the basis of Fareham Borough Council's overall approach or the appropriate balance achieved.

Introduction

1. I have been appointed by Fareham Borough Council (the Council), the charging authority, to examine the draft Fareham Community Infrastructure Levy (CIL) Charging Schedule.¹ I am a chartered town planner with more than 20 years' experience inspecting and examining Development Plans and CIL Charging Schedules as a former Government Planning Inspector.
2. This report contains my assessment of the Charging Schedule in terms of compliance with the requirements in Part 11 of the Planning Act 2008 as amended ('the Act') and the Community Infrastructure Regulations 2010 as amended ('the Regulations').² Section 212(4) of the Act terms these collectively as the "drafting requirements". I have also had regard to the National Planning Policy Framework (NPPF)³ and the CIL section of the Planning Practice Guidance (PPG).⁴
3. To comply with the relevant legislation, the submitted Charging Schedule must strike what appears to the charging authority to be an appropriate balance between helping to fund necessary new infrastructure and the

¹ View the examination documents: [Community Infrastructure Levy Charging Schedule \(fareham.gov.uk\)](https://fareham.gov.uk)

² The Regulations have been updated through numerous statutory instruments since 2010, most notably through the Community Infrastructure Levy (Amendment) (England)(No. 2) Regulations 2019, which came into force on 1 September 2019.

³ A new version of the NPPF was published during the examination on 5 September 2023. It sets out focused revisions (to the previously published version of 20 July 2021) only to the extent that it updates national planning policy for onshore wind development. As such, all references in this report read across to the latest 5 September 2023 version.

⁴ The CIL section of the PPG was substantially updated on 1 September 2019 (and last updated on 4 January 2023).

potential effects on the economic viability of development across the district. The PPG states⁵ that the examiner should establish that:

- the charging authority has complied with the legislative requirements set out in the Act and the Regulations;
- the draft charging schedule is supported by background documents containing appropriate available evidence;
- the charging authority has undertaken an appropriate level of consultation;
- the proposed rate or rates are informed by, and consistent with, the evidence on viability across the charging authority's area; and
- evidence has been provided that shows the proposed rate or rates would not undermine the deliverability of the plan (see NPPF paragraph 34).

4. The draft Charging Schedule was consulted on between 17 March 2023 and 1 May 2023. For the sake of clarity, the Council subsequently amended some of the residential development definitions and the areas within which retail development within Class E (with a specified exception) would be charged. The statement of modifications was subject to four weeks consultation in June/July 2023, albeit no representors wished to comment. Accordingly, the basis for the examination, on which a hearing session was held on 6 September 2023, is the submitted schedule⁶ and schedule of modifications⁷ (dated June 2023).⁸
5. The Council propose rates for the area known as Welborne and rates for the Rest of Fareham Borough. All types of development in Welborne would have a zero charge. The Welborne rates were established in 2021 at a partial review of the Council's adopted CIL. The zero Welborne rate is being carried forward unaltered and is not being considered in this examination. Figure 1 in the Charging Schedule defines the two areas. For residential development falling within Class C3 and C4, excepting flats in Fareham Town Centre, (shown in Figure 2) the proposed rate is £195 per square meter (sqm) in the Rest of Fareham Borough. Flats in the Fareham Town Centre would have a zero charge per sqm. Development comprising retirement living (including sheltered housing) on green field sites would be charged at £28 per sqm. All retail falling in Class E, excepting comparison retailing falling in Class E(a) in centres shown in Figure 3 of the Charging Schedule, would be charged at £80 per sqm. Class E(a) retail in the defined centres would have a zero

⁵ See PPG Reference ID: 25-040-20190901.

⁶ View at: <https://www.fareham.gov.uk/pdf/planning/CIL/CILChargingSchedule.pdf>

⁷ View at: <https://www.fareham.gov.uk/pdf/planning/CIL/CILRepresentationAndModificationStatement.pdf>

⁸ This is the combined effect of the process set out in Regulation 19 and the definition of a 'statement of modifications' in Regulation 11.

charge. All other development including extra-care/assisted housing on all types of site, care homes and sheltered housing on brown field sites would have a zero charge.

Has the charging authority complied with the legislative requirements set out in the Act and the Regulations, including undertaking an appropriate level of consultation?

6. Electronic and written notifications were sent to consultees and every organisation and individual on the Council's Planning Strategy consultation data base. Paper copies were deposited in libraries. The CIL proposals were advertised in the Council's "Have Your Say" publication and included on the Planning Strategy website consultation page. Six weeks from 17 March 2023 was allowed for the initial consultation process. This initial consultation stage attracted eight representations. There were no representations to the subsequent modifications consultation.
7. The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the adopted Local Plan and the Infrastructure Delivery Plan, and is supported by an adequate financial appraisal. I also consider it compliant with the national policy and guidance contained in the NPPF and PPG respectively.

Is the draft charging schedule supported by background documents containing appropriate available evidence?

Infrastructure planning evidence

8. The Fareham Local Plan 2037 was adopted on 5 April 2023.⁹ This plan sets out the main elements of growth that will need to be supported by further infrastructure in Fareham. The Local Plan provides for at least 9,556 new homes between 2021 and 2037, including some 900 homes to help meet the needs of neighbouring authorities. Provision is made for 122,000 sqm of new employment floor space and a further 77,200 sqm of employment development on a strategic site in the Solent Enterprise Zone.
9. The Infrastructure Delivery Plan (March 2023) identifies a need for funding of more than £122,500,000 to support the anticipated development in the Borough. Significant funding is required for a number of projects including flood defences, education and strategic highway schemes. Taking into account identified sources of funding, the Council estimates a funding gap of about £42,500,000. In the light of the information provided, the proposed charge would make only a modest contribution towards filling the likely funding gap. The figures therefore demonstrate the need for a CIL.

⁹ View at: [Fareham Borough Local Plan](#)

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Economic viability evidence

10. The Council commissioned Three Dragons to undertake a CIL Viability Assessment (VA). The Three Dragons VA is dated November 2022 and draws on policies in the recently adopted Local Plan and also on the viability work done to support the Local Plan. The assessment uses a residual valuation approach and compares the residual values for various types of development to a benchmark land value. A typology approach is used with the typologies selected on the basis of discussions with the Council and a development industry workshop. The typologies selected are those that are expected to be typical of the sort of development that is anticipated in Fareham. The typologies do not represent specific development proposals. There are three broad groups of development types – residential, specialist homes and non-residential. The approach used by Three Dragons is one that is commonly used in CIL viability work.
11. Most of the 22 residential typologies are tested on both brown field and green field sites. Flatted development not exceeding five storeys is only tested on brown field land and the two large site typologies are only tested on green field sites. A town centre build-to-rent (BtR) typology is included, as this form of development may become a feature of the Fareham housing market in the foreseeable future. Three forms of specialist housing are tested - care-homes, extra-care homes and retirement homes. For retail development, convenience and comparison schemes in and out of town centre locations are tested, as are office developments in town centres and in fringe/transport node locations. Industrial and warehouse development on the edge of settlements/transport nodes are included. A 70-room budget hotel is also tested. The approach used in the VA is logical given the nature of the area and the anticipated forms of development.
12. The VA has taken into account tenures and affordable housing requirements based on discussions with the Council and the policy requirements in the Local Plan. In the BtR typology, the affordable housing element is represented by a discounted market rent in accordance with national guidance. Assumptions about the mix of homes in the various typologies are based on the evidence from the Local Plan examination, discussions with the Council, the development industry workshop discussion and current planning applications. Home size assumptions are based on nationally described space standards, averages derived from past transactions and earlier viability work. Where relevant, the assumptions include allowances for considerations such as circulation space, communal areas and service areas.
13. Residential market values were derived from an analysis of new build land registry data for the past five years. Values per sqm was based on a match between Land Registry and Energy Performance Certificates data. Sales data was indexed to build cost data to align the evidence. Information from Right Move (summer 2022) was used to sense check the evidence. For sheltered and extra care values, the Retirement Housing Group guidance was used with selling prices for sheltered schemes based on information from providers and 2022 selling prices. Given a relative lack of active schemes on the

market, the values were checked against semi-detached values in the area. For care homes, trade press and market commentary data was used resulting in an assumed capital value of £75,000 per bedroom.

14. Build-to-rent values were based on higher quality apartments on the market within a 5 mile radius of Fareham Town Centre. The result is a blended rate of £1,230 per month with a capitalised value of £230,000.
15. For shared ownership homes, transfer values at 70% of market value were used. For affordable rent and social rent units, the figures used were 57.5% and 42.5% of market value.
16. 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.
17. Nine non-residential typologies are tested. Values are based on historical comparable evidence provided by trade reports and Three Dragons knowledge of the market. For office, retail, industrial and warehouse development, rents and yields have been capitalised in the standard way to get to Gross Development Value (GDV). For the hotel typology the assumption is a value of £105,000 per room. As is the case with residential values the commercial value assumptions have not been robustly challenged.
18. For benchmark land values, the VA notes that the evidence presented to the Local Plan examination was not challenged and thus this evidence is continued in this assessment. The VA also references work done on land values for the Welborne Garden Village scheme and the residential land values discussed at the June 2019 developer workshop. Three Dragons also undertook a review of market land transactions in Fareham and the wider Hampshire area. The market transactions showed a wide spread of values. Land titles evidence showed that it was not unusual for land to be worth less than the benchmark figures discussed at the developers' workshop. MHCLG¹⁰ land value estimates for the Solent area is also referred to in the VA. On the basis of this range of evidence, the VA concludes that a suitable benchmark for large green field sites is £250,000 per hectare.
19. Benchmark land values for brown field sites is related to the existing use value. Using the results of the developers' workshop, previous evidence and figures from MHCLG, the assumption in the VA is a benchmark figure outside the town centres of £2.25m per hectare on small sites and £1.25m per hectare on large sites. Within town centres, the benchmark value for brown field land is estimated at £2.0m per hectare. A premium of 20% on brown field land for older persons housing is included based on the views of developers working in this field.
20. For non-residential benchmark values, Three Dragons adopt what they call a

¹⁰ The former Ministry of Housing, Communities & Local Government (MHCLG) is now called Department for Levelling Up, Housing and Communities (DLUHC).

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pragmatic approach. A pragmatic approach is justified in the VA on the grounds that a wide range of site/owner specific variables affect the benchmark value of any given site. The VA uses the residential values as a starting point, with the qualification that the benchmark for some retail uses is likely to be higher given the shortage of suitable sites for some schemes. The commercial benchmark values per hectare assumed by Three Dragons range from £360,000 to £2,000,000 with the highest being for town centre comparison retail.

21. The validity of the green field benchmark values has been challenged on the grounds that the figures are dated and that there has been a material increase in farmland prices since 2019. Three Dragons contend that even if farmland prices have increased by over 30% between 2019 and mid 2022, the figures they have used still allow for a reasonable premium. I agree with this contention.
22. Residential development costs in the VA include build costs and a range of other standard costs. Build costs derive largely from data from the RICS¹¹ Build Cost Information Service adjusted for the location, and for residential development tender prices for new build over a 5 year period rebased to Q2 of 2022. Adjustments have been made for higher build costs for smaller housing schemes that do not benefit from economies of scale and for the variation in build costs for flats depending on height. The VA includes allowances for external works and contingencies and for site infrastructure costs on larger schemes. An allowance for garages is included for 3 and 4 bedroom houses and for the cost of podium parking spaces in some flat developments.
23. A standard range of cost for fees and finance is included. Given the current trend in interest rates, the VA has included a sensitivity test based on a finance rate of 10% for the typologies with the longest build out rates.
24. A range of additional costs flowing from national and local policy requirements is included. These costs include biodiversity net gain, Part S EV charging, Part M Accessibility, custom/self-build policy requirements, Solent Habitat mitigation, nitrate neutrality and Part L Building standards. A cost of £274 per dwelling to meet the requirement of Natural England in relation to the New Forest protected sites is not included as this is a short-term interim measure set to apply until March 2025. The VA deals with this matter by including it in a sensitivity test. Non-affordable housing s106 costs are allowed for based on evidence of past s106 agreements presented to the Local Plan examination.
25. The residential sales and cash-flow evidence is the same as that presented unchallenged to the Local Plan examination.
26. For non-residential development costs, information from the RICS Build Cost Information Service is used together with a range of other costs including professional/agent fees, external costs, biodiversity net gain, stamp duty and

¹¹ Royal Institution of Chartered Surveyors (RICS).

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s106. Allowance is made for voids and rent free periods. A developer's return of 15% of GDV is assumed.

27. The draft Charging Schedule is supported by detailed evidence of community infrastructure needs. On this basis, the evidence which has been used to inform the Charging Schedule is robust, proportionate and appropriate.

Are the proposed rates informed by and consistent with the evidence on viability across the charging authority's area?

Residential development

28. Conventional residential schemes on both green field and brown field sites outside the town centres show headroom for CIL of between £465 and £1,619 per sqm. The smallest headroom applies to a 3 dwelling scheme on a brown field site and the largest to a 120 dwelling mixed scheme on a green field site. Within town centres, the 80 flats typology has the highest headroom (£514 per sqm) and the BtR scheme the lowest (£0 per sqm). For older persons housing, the only typology that has any headroom (£55 per sqm) is the 60 unit retirement scheme on a green field site.

29. For residential development, four sensitivity tests are provided by Three Dragons. The first shows the effect of a rise in the cost of finance from 6% to 10% for typologies with the longest build out rates. The resultant reduction in CIL headroom is relatively small in all instances. The second test shows the impact of the First Homes policy. As with finance costs, there is only a limited impact on viability. Future Homes 2025 is the third test. Requirements of the Future Homes Standard 2025 have yet to be finalised by the Government, but Three Dragons have assumed that the costs will amount to £12,000 per house and £8,000 per flat. On the basis of current knowledge, these figures do not suggest that the VA is under-estimating Future Homes costs. Other authorities' estimates are referred to in the VA. These range from about £4,000 to £16,000 per house. Increased costs at the scale proposed for Fareham would have a more significant impact on viability, especially in the town centre. CIL headroom in the town centre for the 20 unit flat scheme would, for example, fall from £268 to £157 per sqm. Sensitivity test four relates to open space mitigation and recreation including New Forest Mitigation. As exact figures are not certain, a broad allowance of £6,400 per house and £5,600 per flat is provided by Three Dragons. This represents roughly a doubling of the open space and recreation costs used in the base case testing. The consequence for CIL headroom is not as significant as the Future Homes scenario. For comparison purposes, the reduction in CIL headroom for the 20 unit town centre flat scheme would be from £268 to £216 per sqm.

30. To test the cumulative impact of the sensitivity scenarios, a situation that Three Dragons considers unlikely to occur, three typologies are selected by Three Dragons. For a brown field 50 unit mixed scheme outside the town centre, the CIL headroom reduces from £817 to £500 per sqm. Within the town centre, for a 20 unit flat scheme it reduces the headroom to £74 per

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sqm from £268. For a green field large mixed scheme of 1000 units, it reduces the headroom from £1,326 per sqm to £988.

Commercial rate

31. For commercial rates, the VA notes that development cost rises have not been matched by increases in value. Consequently, Three Dragons note that it is unlikely that a current proposed rate would be as high as the present rate. The VA concludes that the majority of non-residential forms of development would be unable to support a CIL. Three types of retail have headroom for a CIL charge – small local convenience stores, supermarkets, and out of centre comparison stores.

Has evidence been provided that shows the proposed rate or rates would not undermine the deliverability of the plan (see National Planning Policy Framework paragraph 34)?

32. There is a representation arguing that, in general terms, the proposed residential charge is too high as it is an 85% increase from the current charge. This is a misleading claim as the proposed rate for conventional residential development (excluding flats in the Fareham Town Centre) is just over 16% higher than the current charge of £167.50, once indexing of the original base charge of £105 is taken into account. The proposed charge of £195 for all residential typologies outside the town centre would be less than 5% of GDV and the smallest viability buffer would be 58% for a small three house brown field scheme. In most cases the viability buffer would be over 70%. Using a weighted average of 5% of GDV, the residential charge for all development would be £198 per sqm. Using this level of charge, the VA shows that the viability buffer would still be well above 50% for most typologies other than two of the town centre typologies.
33. For town centre typologies, the evidence is that there is less scope for CIL to be charged, particularly if the results of the sensitivity tests are taken into account. The town centre BtR typology has no scope for a CIL even without the inclusion of the cumulative sensitivity test results. Three Dragons note that town centre regeneration is an important policy aim for the Council and recommend a zero charge for flat led sites in Fareham Town Centre. This cautious approach, accepted by the Council, is justified given the reduced viability headroom identified for town centre flat-led schemes.
34. For retirement living (sheltered) on green field sites, there is limited scope for CIL and the modest proposed charge of £28 per sqm would allow for a 50% buffer. This level of charge would represent less than 1% of the GDV of the tested scheme. The evidence justifies the proposed charge and does not point to any problems with delivery with this form of development. The modifications proposed by the Council in relation to care homes/extra-care/assisted housing on all types of site and sheltered housing on brown field sites, meet the request from a specialist housing provider although improved clarity should be provided in relation to the types of site on which

care homes would attract a nil charge. This point is clarified in a recommendation **(EM1)**.

35. An argument is advanced by a representor that in assessing build costs, Three Dragons have not taken into account the point that large sites may be developed by more than one developer thereby eliminating the assumed economies of scale. This contention is not supported as, even if a large site is built out by more than one developer, it is unlikely that participating developers would be the sort of small scale developers who are unable to benefit from economies of scale. On the basis of their experience, Three Dragons confirmed at the hearing that this is a reasonable counter to the argument advanced.
36. An argument is made by some objecting to the proposed residential rate on the grounds that the viability of development has changed significantly because of cumulative changes in circumstances, including increased construction/finance costs and uncertainty in the current property market. Three Dragons accept that what some refer to as a "perfect storm" has recently had a negative impact on the viability of development. However, Three Dragons point to the substantial viability buffers that they have used and the low percentage of GDV that would be represented by the proposed CIL. The concept of a viability buffer is contained in the CIL PPG and is intended to allow for changes in economic circumstances. In my view, the buffer levels proposed in the draft CIL Charging Schedule are substantial enough to accommodate the changed economic circumstances relating to the viability of development.
37. The question of whether site allocation HA55 should, like Welborne, be treated as a strategic site which is excluded from the CIL is strongly made on behalf of Hallam Land Management. The contention is that HA55 is materially different from other allocated sites and is subject to a number of bespoke mitigation or infrastructure measures which mean that the required s106 for HA55, in addition to the proposed CIL, would threaten the delivery of this large development site. The representor points out that in the VA Three Dragons recommends that the Council considers this point in relation to what Three Dragons describe as "very large sites". Three Dragons note that there is uncertainty regarding the s106 requirements on very large sites and that the s106 package could be higher than the one used in their viability testing. No detailed viability evidence was provided or considered in relation to any other level of charge, including a zero charge.
38. The Council counters the case made by Hallam Land Management on the grounds that it is clear that within the viability assessment that HA55 is considered a 'large site', as per the R14 typology, and that the VA has tested a large site and any material deviations from the standard assumptions can be considered through the planning application process. In addition, the Council point to the substantial 85% buffer and the 3.1% of GDV calculated in the VA on the basis of a £195 per sqm charge.
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

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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. For example, the £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, excluding the cost of local cycling and walking infrastructure being sought by the County Council. The developer also points to Local Plan policy requirements, for example community and health facilities, that are not included in the cost assumptions shown in Table 4.9 of the VA.

40. 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 **(EM2)**.

41. For retail development, excluding comparison retail in town centres, the proposed rate would represent three or less percent of GDV. The evidence does not point to the proposed charge threatening the delivery of retail development, especially as comparison retail in town centres would have a nil charge.

42. In setting the CIL charging rates, the Council has had regard to detailed evidence on infrastructure planning and the economic viability evidence of the development market in Fareham. The Council has tried to be realistic in terms of achieving a reasonable level of income to address an acknowledged gap in infrastructure funding, while ensuring that a range of development remains viable across the authority area.

43. I consider the viability assessment to be robust and conclude that, other than in the case of HA55, the residential and retail rates proposed would not threaten delivery of the recently adopted Local Plan.

Overall Conclusion

44. I conclude that the draft Fareham Community Infrastructure Levy Charging Schedule, subject to the making of the modifications set out in **EM1** and **EM2** satisfies the drafting requirements. I therefore recommend that with the recommended modifications the draft Charging Schedule be approved.

Keith Holland

Examiner

Appendix Modifications

Examiner Modifications (EM) recommended in order that the charging schedule may be approved.

| Examiner Modification (EM) | Document/other reference | Modification |
|-----------------------------------|--|--|
| EM1 | Statement of Modifications Mod id. M1c | Add: "on all sites" after "care homes". |
| EM2 | Statement of Modifications Charging Rates table | Add: "and allocation site HA55" to the Welborne (fourth) column. Amend footnote 3 to include the words "site HA55 as shown in the adopted Local Plan". |

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 26th October 2023. The report can be found here:

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 8th December 2023 to midnight on the 18th 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)

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 ⁱ | CIL charge per sq.m | | |
|---|-------------------------|---|-------------------------|
| | Rest of Fareham Borough | <u>HA55 Land South of Longfield Avenueⁱⁱ</u> | Welborne ⁱⁱⁱ |
| 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 ^{iv}) on greenfield sites. | £28 | <u>£28</u> | £0 |
| All retail falling within Class E (a) excepting: | £80 | <u>£80</u> | £0 |
| Comparison retail ^v 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 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.

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

ⁱⁱ 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

ⁱⁱⁱ 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

^{iv} 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).

^v 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

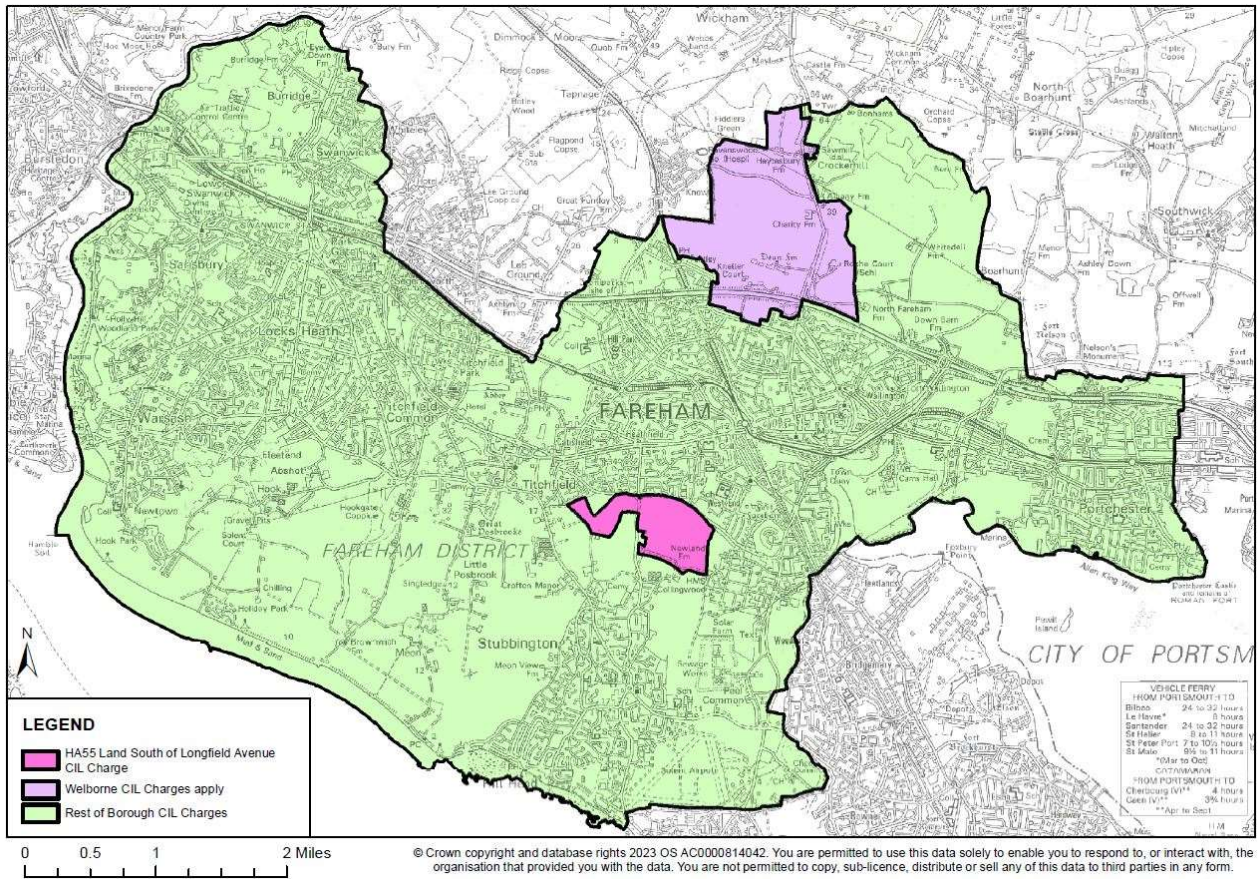


Figure 2: Fareham Town Centre Flatted Development Area

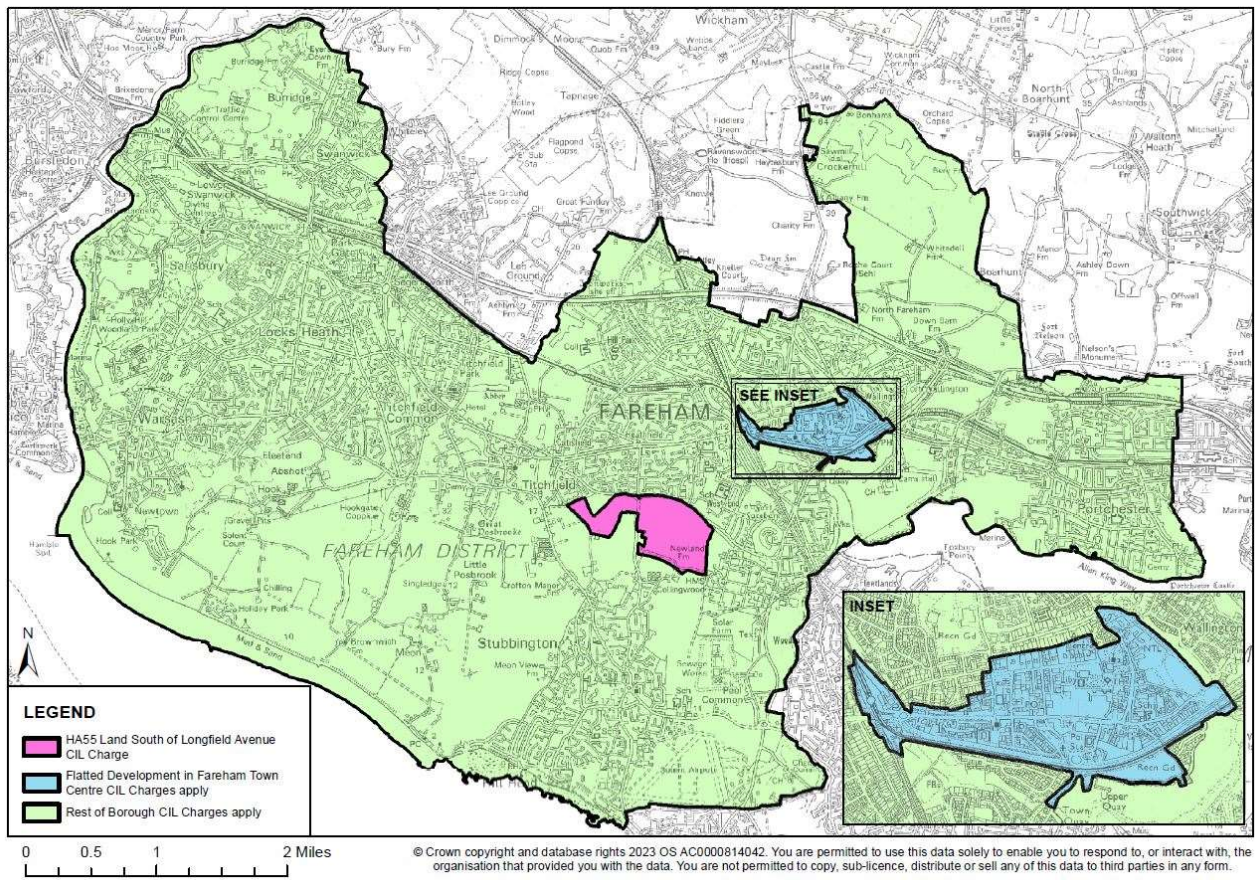
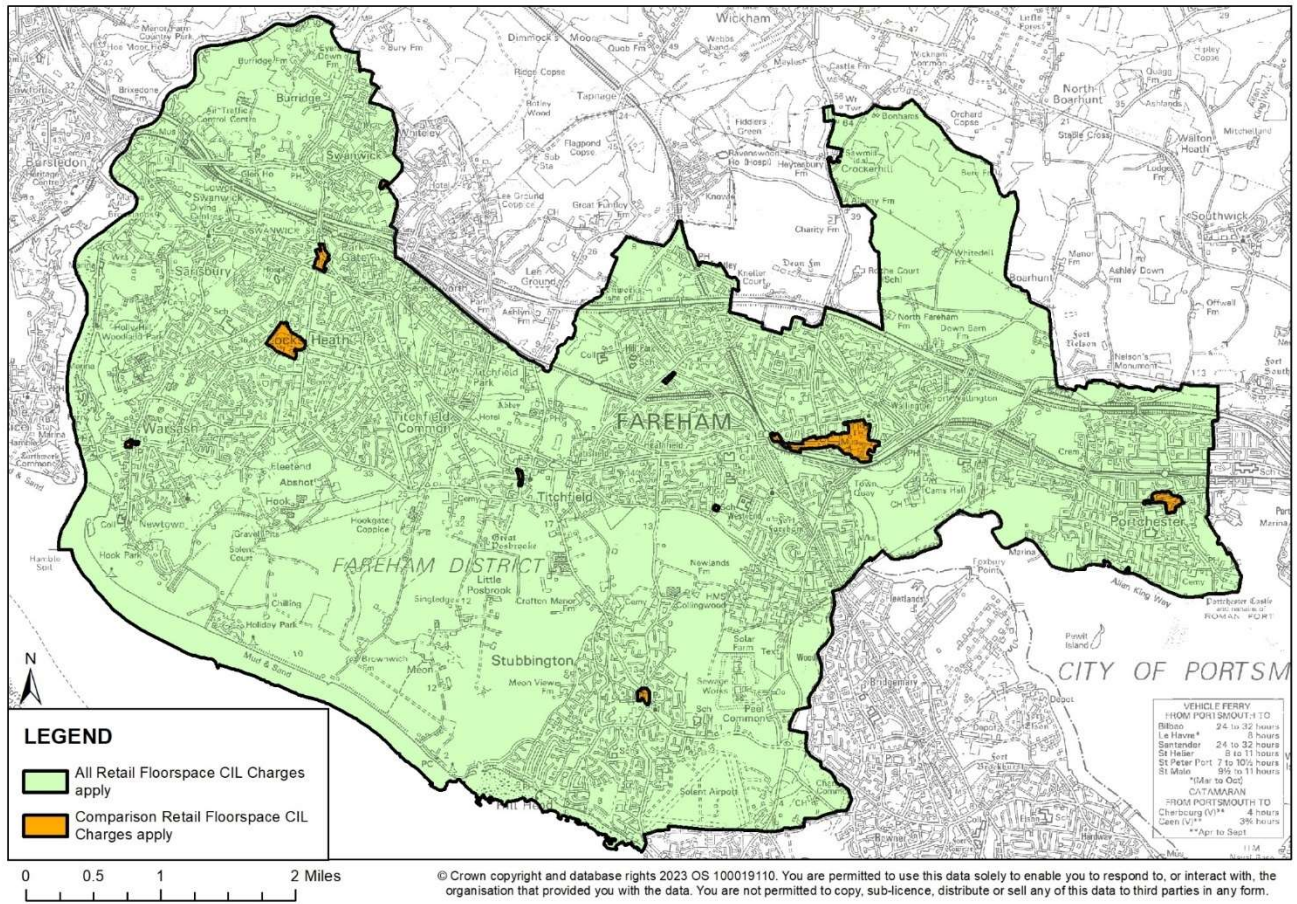
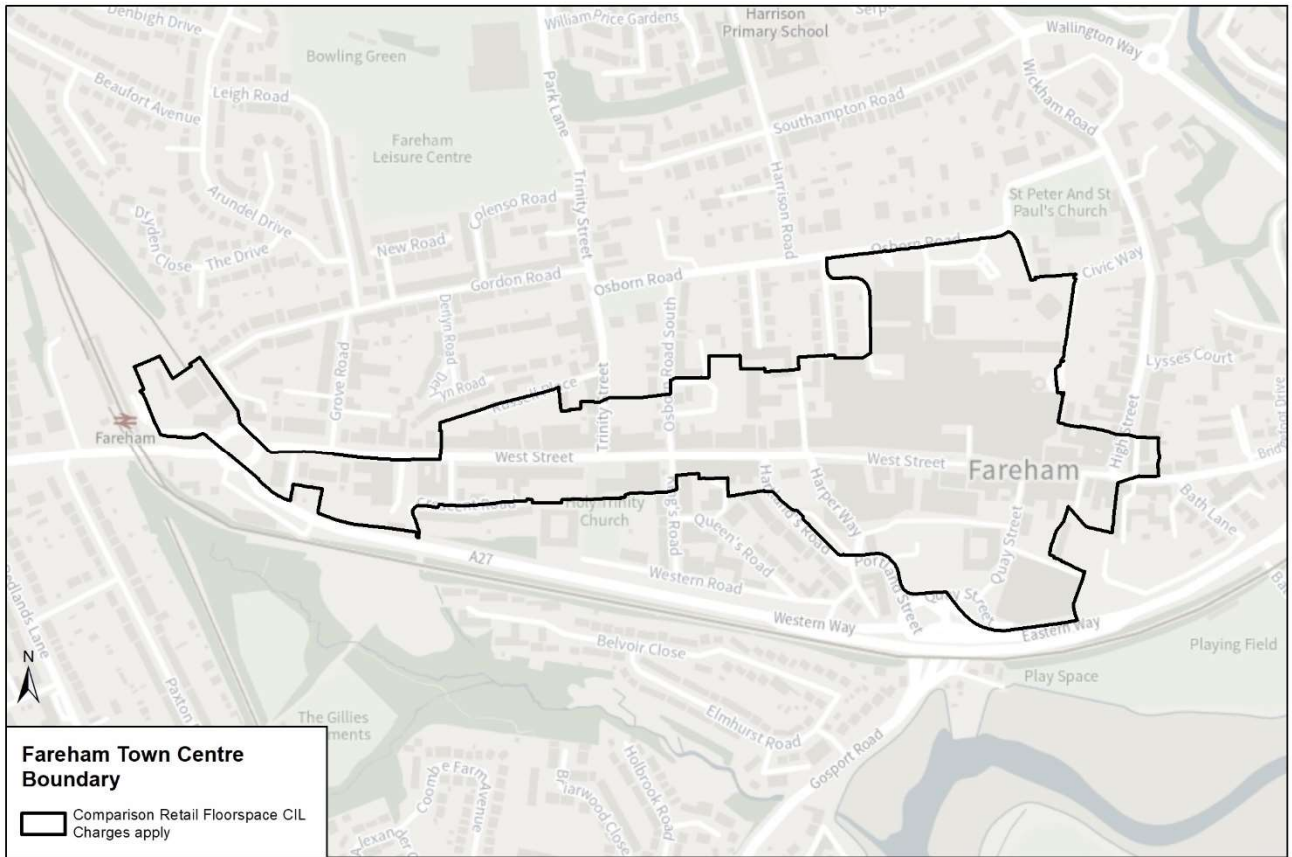
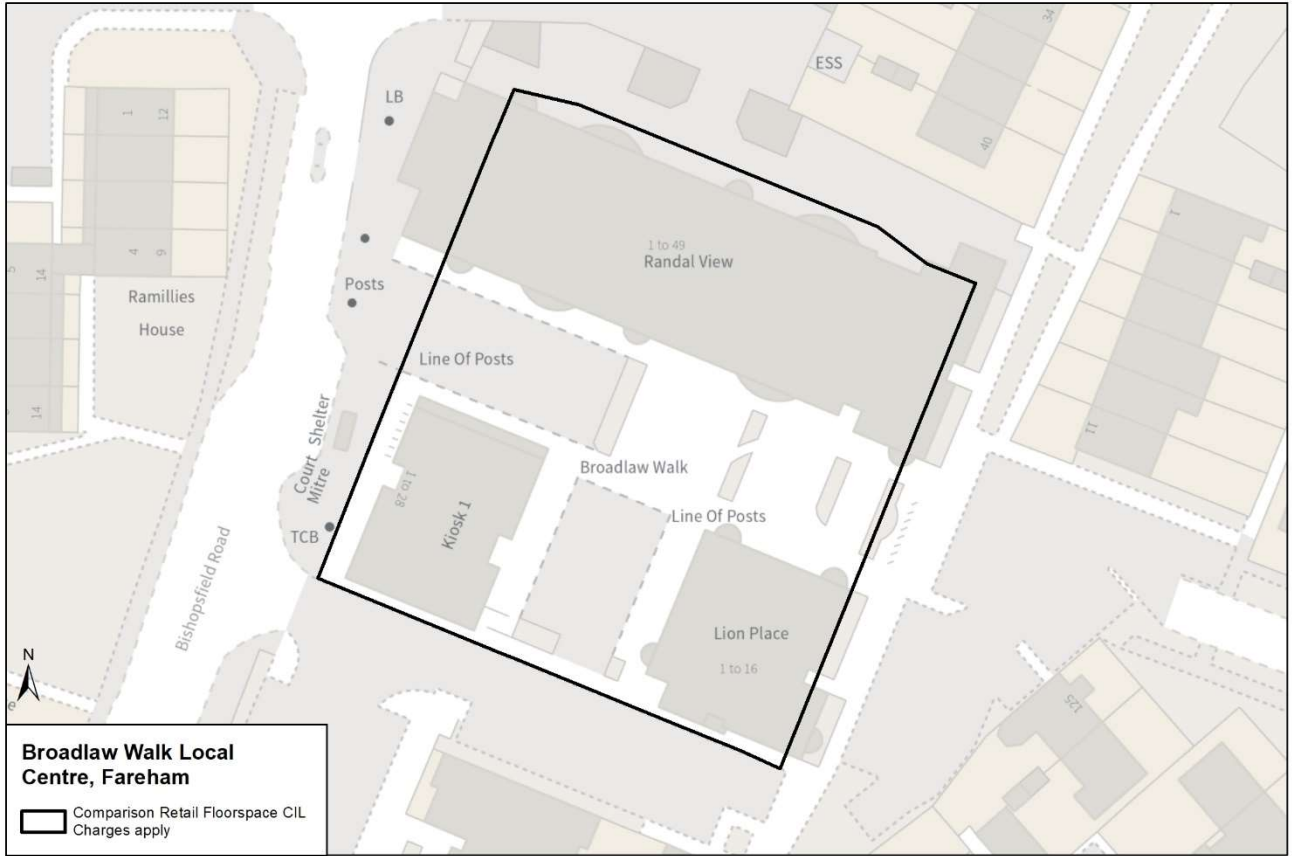
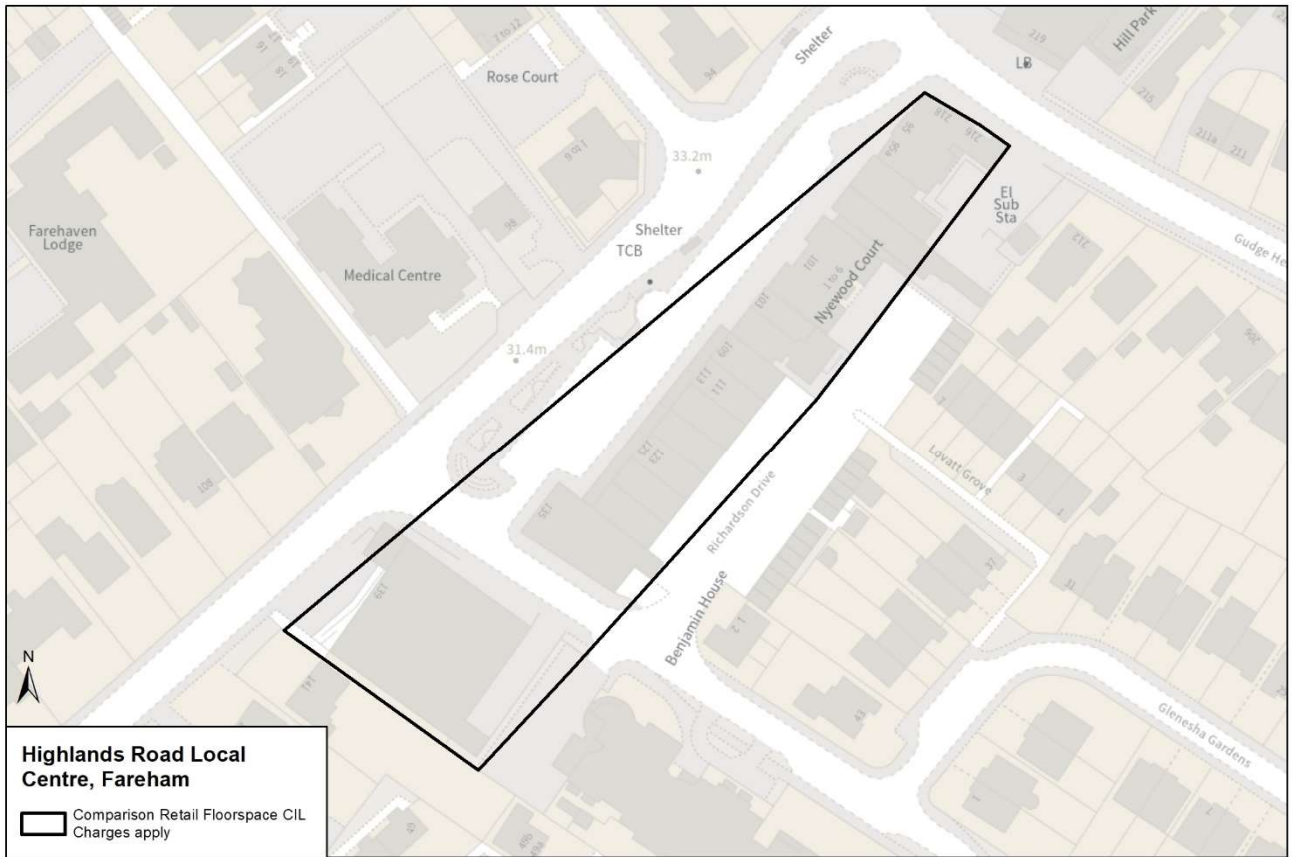
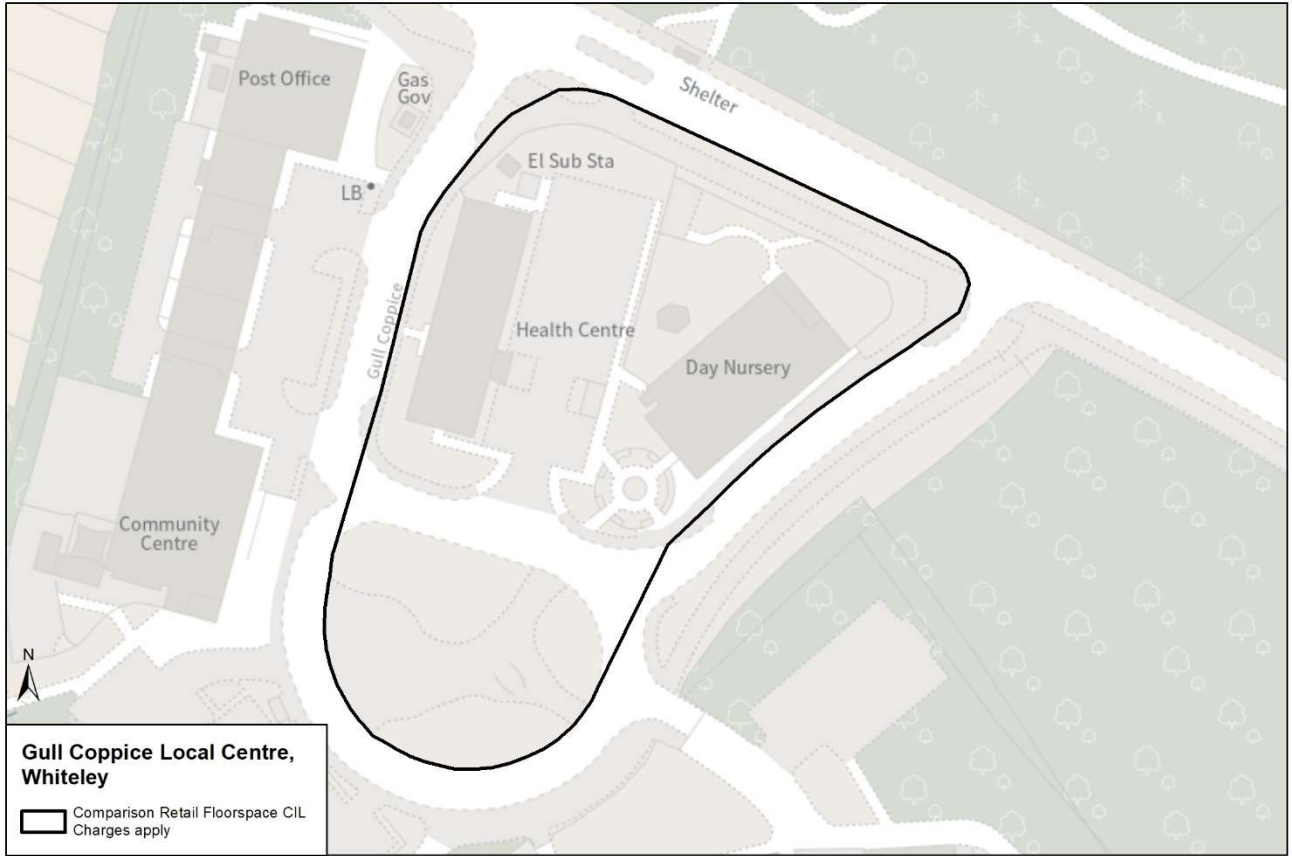
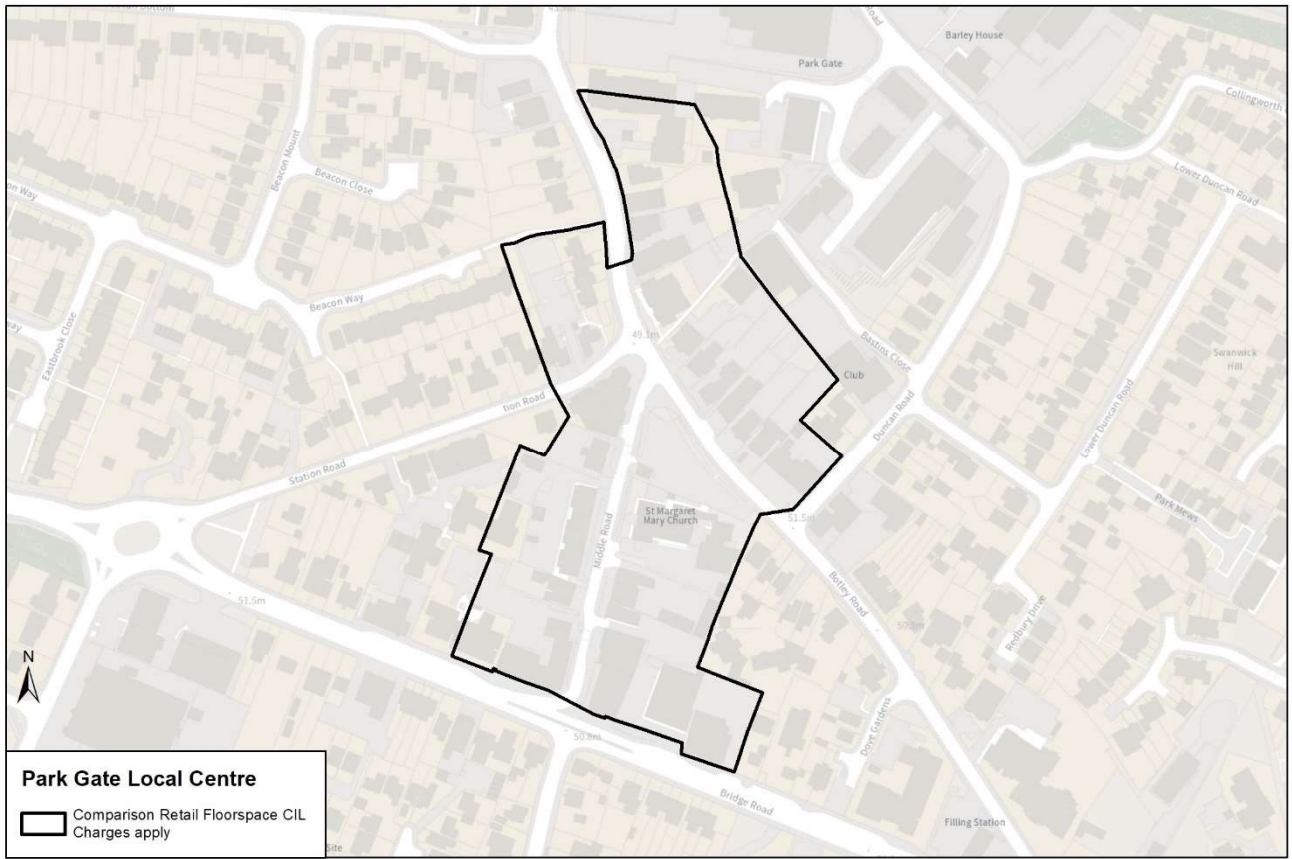
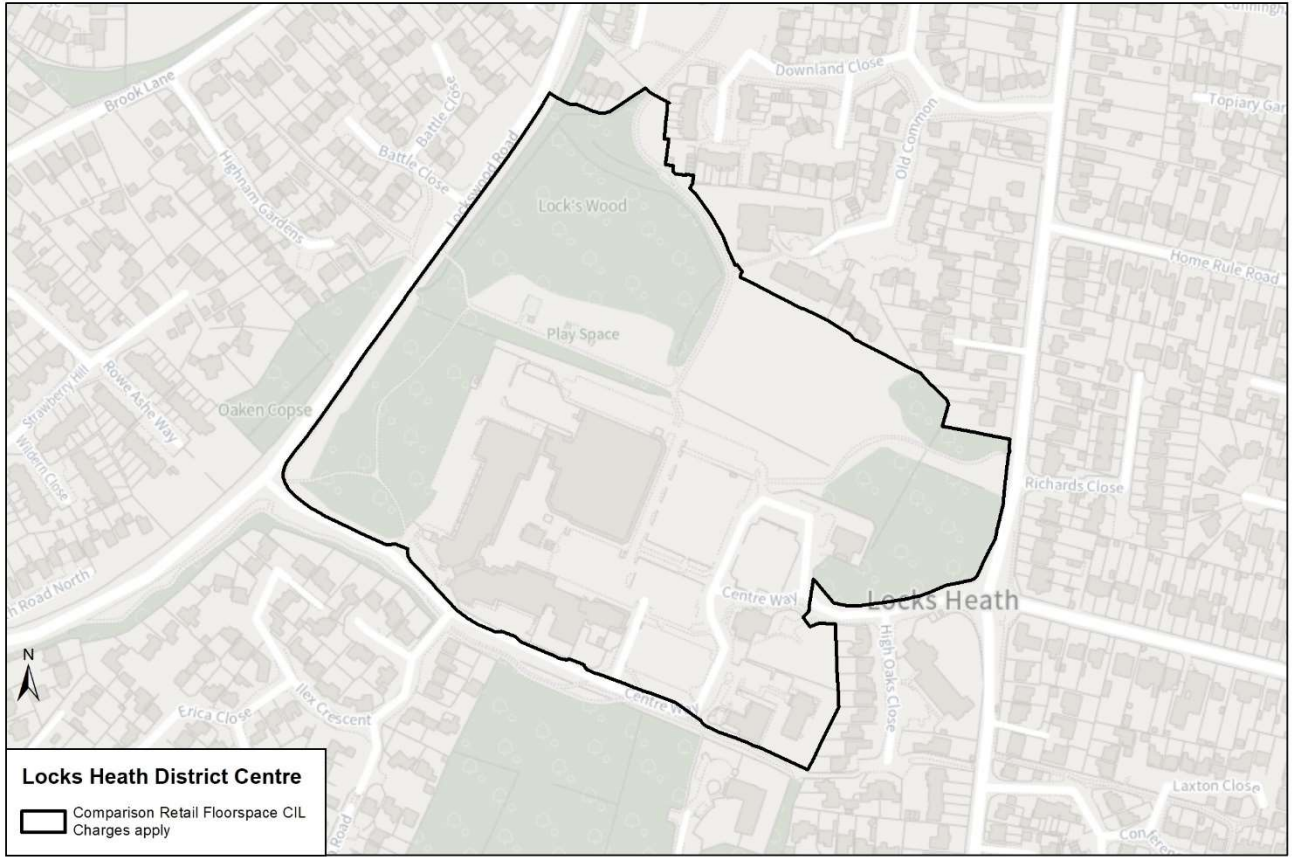


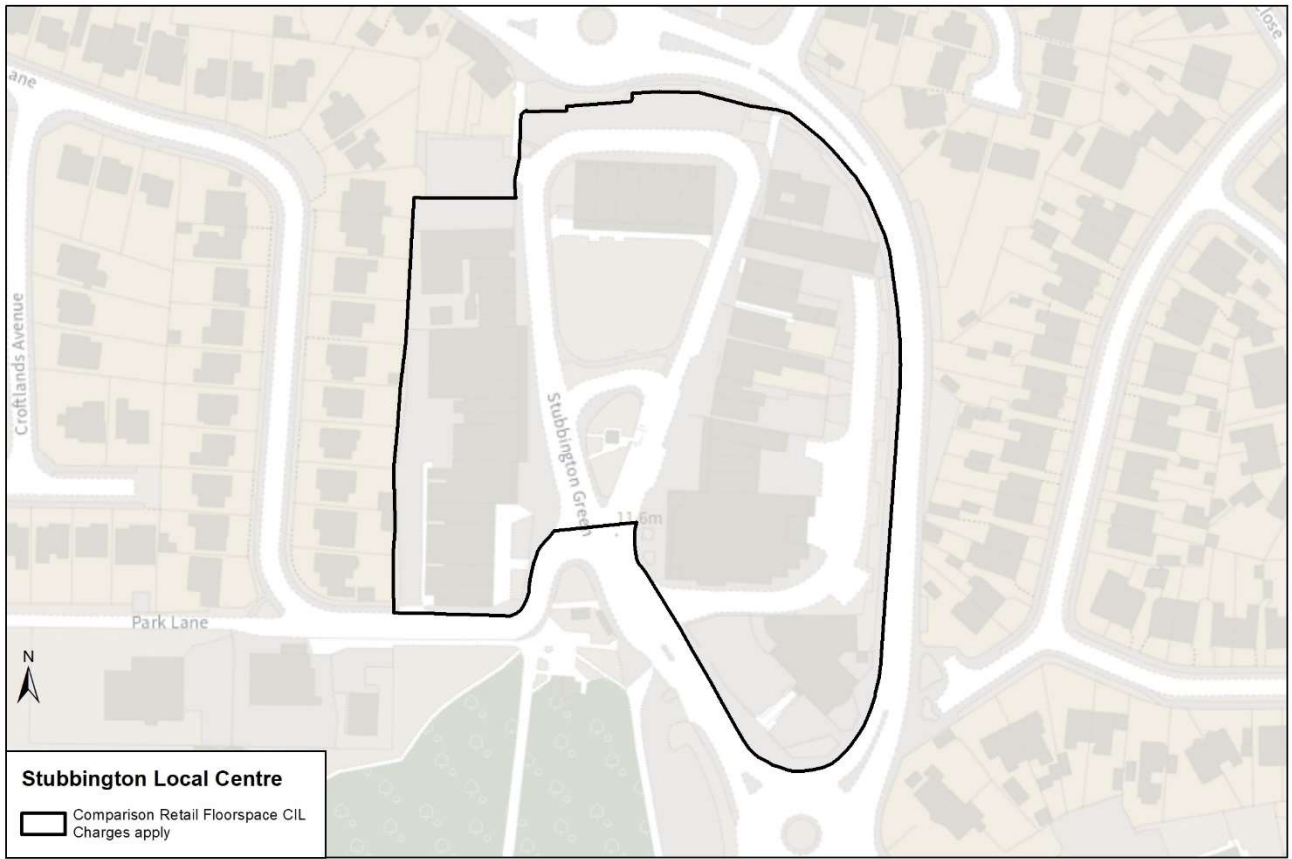
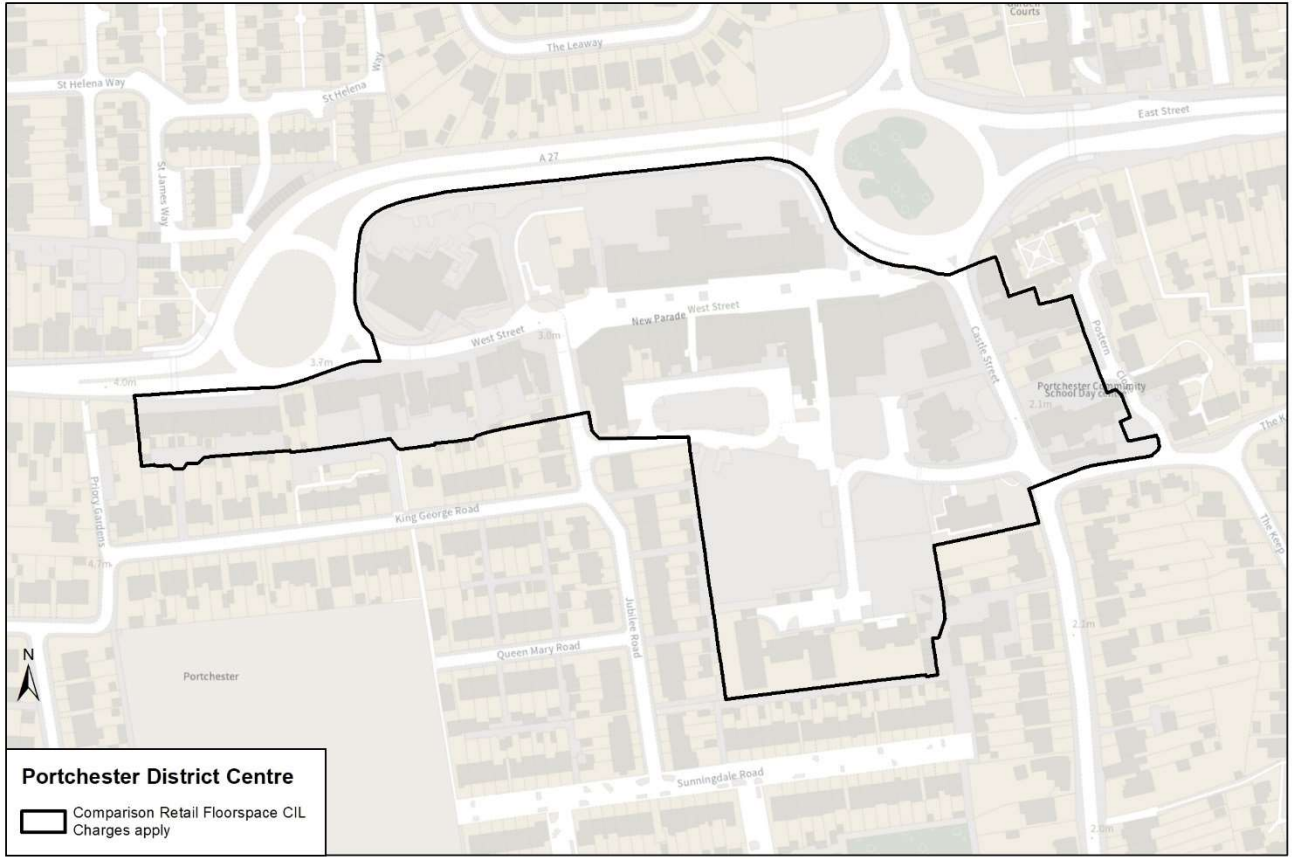
Figure 3: Comparison Retail Charging Zones

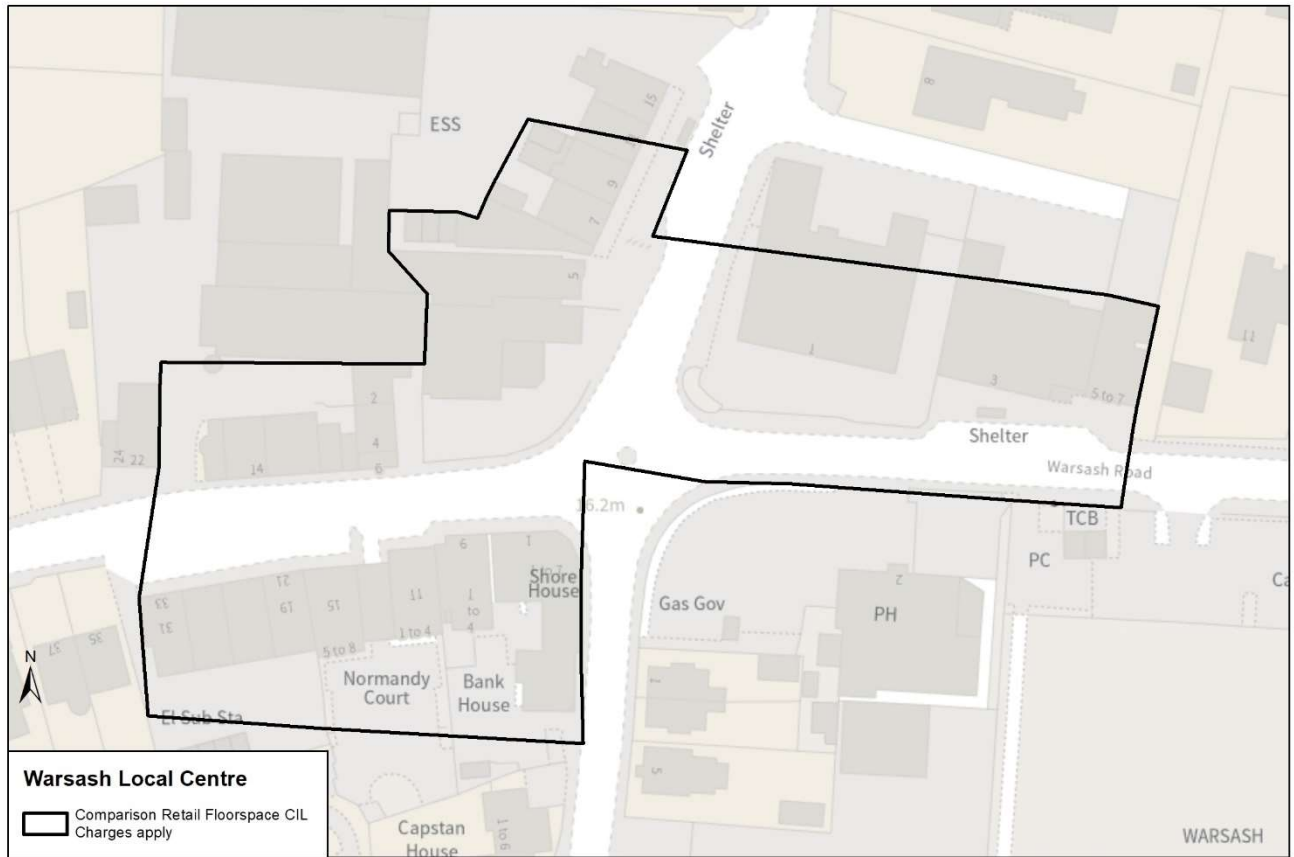
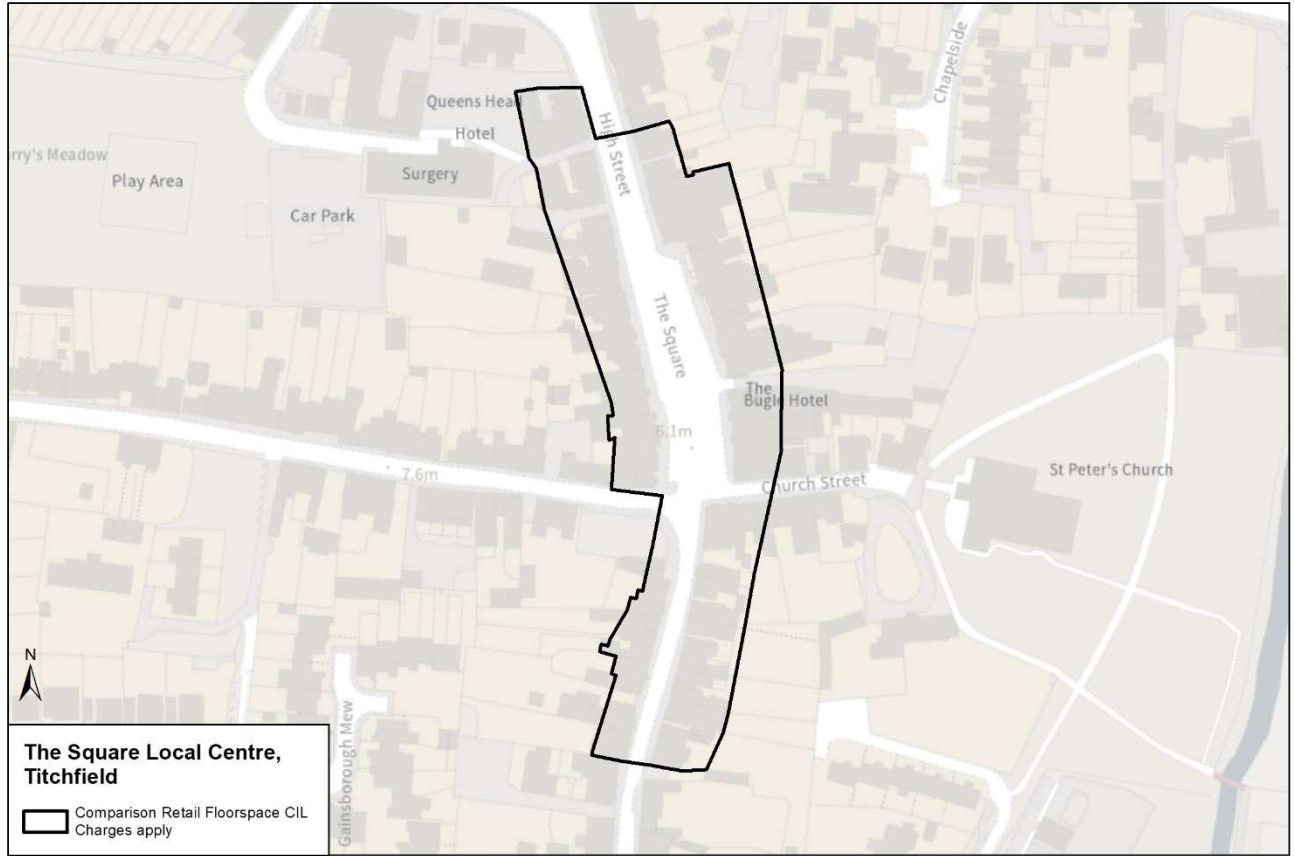


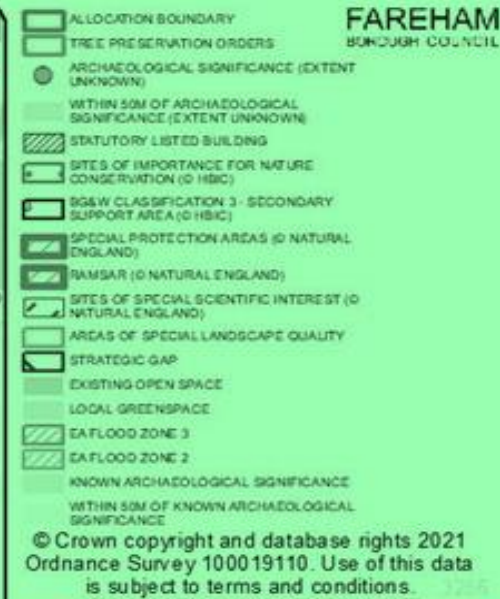
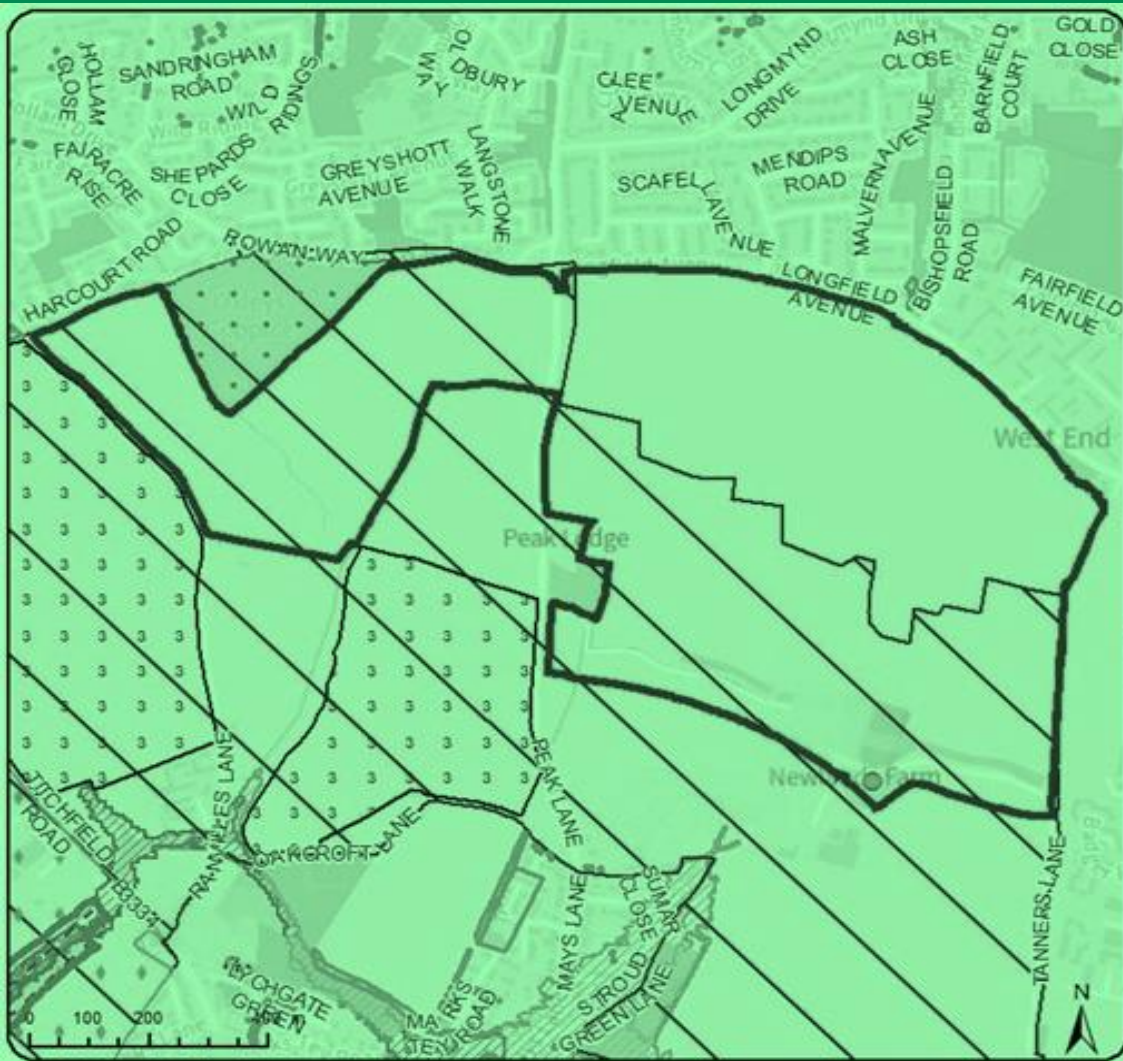












Report for Fareham Borough Council

HA55 Land South of Longfield Avenue

CIL viability review – November 2023

Three Dragons



| Document control sheet | |
|-------------------------------|---|
| Project name | Fareham Community Infrastructure Levy |
| Project reference | CIL viability review |
| Report title | HA55 Land South of Longfield Avenue |
| Doc ref | Final |
| Date | November 2023 |
| Prepared by | Mark Felgate |
| Reviewed by | Dominic Houston |
| Quality statement | In preparing this report, the authors have followed national and professional standards, acted with objectivity, impartially, without interference and with reference to appropriate available sources of information. No performance-related or contingent fees have been agreed and there is no known conflict of interest in advising the client group. |
| Use of this report | This report is not a formal land valuation or scheme appraisal. It has been prepared using the Three Dragons Toolkit and is based on council data and information supplied by the applicant and quoted published data sources. The toolkit provides a review of the development economics of illustrative schemes and the results depend on the data inputs provided. No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report unless previously agreed. |

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Chapter 1 Context

Introduction

- 1.1** Three Dragons has prepared this viability review to inform Community Infrastructure Levy (CIL) rate setting for HA55 Land South of Longfield Avenue. The policy area of HA55 is made up of two separate land interests. The majority of the allocation in terms of land area and dwellings (1,200) is being promoted through a scheme submitted for outline approval reference P/20/0646/OA. Other development land within the allocation, suitable for c.50 dwellings, is wholly surrounded by P/20/0646/O in an area of land to the east of Peak Lane (see figure 2.1).
- 1.2** The CIL draft Charging Schedule for FBC proposes a range of rates:
- £195 per square metre for all standard residential development apart from:
 - Welborne Plan area with a rate of £0 per square metre
 - Flats in Fareham Town Centre with a rate of £0 per square metre
 - £28 per square metre for older persons sheltered accommodation (greenfield)
 - £80 per square metre for Class E(a) retail outside of town centres
 - £0 per square metre for all other forms of development not specified above
- 1.3** With the exception of Welborne Plan area there are no site-specific allocation CIL rates proposed in the draft Charging Schedule. Therefore, any standard residential development within HA55 (or any other allocation) would be charged at £195 per square metre should FBC bring forward the draft Charging Schedule. If FBC were minded not to bring forward the draft Charging Schedule then the current CIL Charging Schedule with a rate of £167.15/sq m will remain in place, including for any standard residential development permitted at HA55.

Preparation of supplementary evidence

- 1.4** The evidence within this report has been produced at the request of Fareham Borough Council (FBC) in response to the CIL draft Charging Schedule Examination Report¹ and to supplement the viability assessment submitted for examination. In summary, it provides viability evidence for HA55 as part of the following consideration:
- The draft Charging Schedule was submitted in June and examined in September 2023.
 - The CIL viability evidence, which followed the same generic typology format as the recent Local Plan viability evidence, was considered generally robust.
 - The examiner recommended that a separate charge was appropriate for HA55 and that this should be £0/sq m - but this proposed new rate was not based on any form of detailed viability evidence for HA55.

¹ https://www.fareham.gov.uk/pdf/planning/local_plan/FINAL_Examiners_Report_Oct23.pdf

- A HA55 specific assessment will fill the gap in the viability evidence and inform the Council’s decision about a separate CIL charge for HA55.
- For thoroughness and completeness, FBC has also requested that as well as testing the HA55 allocation (1,250 dwellings), that a separate viability test on the same basis is undertaken for the planning application P/20/0646/OA for the proposed 1,200 dwellings to also help inform a suitable CIL rate.

Response to the examination report

- 1.5** Whilst the Examiner found the “*viability assessment to be robust*” (para 43) and in respect to infrastructure “*the evidence which has been used to inform the Charging Schedule is robust, proportionate and appropriate*” (para 27) and (in terms of value assumptions) that “*no convincing contrary evidence has been presented to this examination*” (para16), a recommendation was made to separately identify the HA55 policy area, with a £0 CIL rate.
- 1.6** However, in considering whether the HA55 should, like Welbourne Plan area “*be treated as a strategic site which is excluded from the CIL*”² (para 37), the Examiner notes that “*No detailed viability evidence was provided or considered in relation to any other level of charge, including a zero charge*” (para 37).
- 1.7** Neither FBC nor Three Dragons consider that the circumstances at the Welborne Plan area are the same as those at HA55. HA55 is not considered, at 1250 dwellings, to be a strategic allocation on the same scale as Welborne (6,000 dwellings, a new motorway junction and other infrastructure).
- 1.8** The CIL viability evidence, as per PPG, followed the approach used for the Local Plan. The Local Plan, which was examined in 2022, relied on a generic viability assessment based on typologies as advocated in PPG – in respect of the HA55 it was considered that RES14, a large mixed scheme of 1,000 residential units, was sufficiently reflective to demonstrate the site was deliverable. This assessment included the existing CIL (at that time £149.73/sqm rate) and a range of other policy requirements proportionate for the size of development. At no time did FBC indicate that they were intending to reduce the CIL rate that would apply at HA55. There was no concern expressed at this approach (using a typology to demonstrate that delivery was not put at risk by either the CIL rate or other policies within the plan) through representations or by the Local Plan Inspector. Therefore, effectively a CIL rate of c£150/sqm was accepted at the Local Plan Examination in 2022 as reasonable at HA55, with potential to increase (as suggested in the viability evidence) following a CIL review.

² Welborne Plan Area has a £0/sq m CIL rate

- 1.9** In preparing for the CIL Examination FBC was not asked to produce any site-specific testing for HA55 allocation, with the Examiner expressly advising no further evidence was required. As set out in para 37 of the Examination report it is acknowledged that no site-specific viability evidence has been provided (by either FBC or HA55 site promoters) or considered by the Examiner in relation to any other level of CIL charge. On this basis FBC concludes that there is no site-specific viability evidence to support a different CIL charge, including the £0/sq m charge recommended in the Examination Report.
- 1.10** The objective of this report is therefore to provide detailed evidence to enable FBC to consider the implications for CIL on HA55 taking into account site-specific requirements, including the site-specific mitigation and s106 costs highlighted by the Examination Report (para 39) and whether an alternative CIL rate could be supported and should therefore be proposed.

Viability evidence and testing

- 1.11** Whilst site specific, this is a high-level review based on information submitted by the HA55 site promoter as part of the planning application, provided by FBC or drawn from the Local Plan/CIL viability assessments evidence base. Please note that costs are based on broad estimates taken from the named sources above but have not been subject to any consideration by quantity surveyors appointed by FBC – therefore the review has not been informed by any detailed cost plan. This viability review has been undertaken on behalf of FBC to inform their understanding of any viability issues to assist in setting an appropriate level of CIL.
- 1.12** The proposals for the scheme include affordable housing and a range of required environmental mitigation, community benefits and aspirations to ensure long term security of management and maintenance of the environmental and community assets arising from the proposals. The viability review is intended to help determine whether it is reasonable in viability terms to seek the proposed levels of mitigation and community betterment alongside a site-specific CIL rate. FBC has requested that application P/20/0646/OA is separately tested as it forms the majority of the HA55 allocation.
- 1.13** The viability assessment has been undertaken using the Three Dragons Toolkit 2023. For this assessment, land value is an input to the modelling and the residual or headroom is what is potentially available for CIL. The review has been undertaken with objectivity, impartially,

without interference and with reference to all appropriate available sources of information. No performance related or contingent fees have been sought.

Planning guidance

1.14 This assessment has been undertaken in accordance with National Planning Practice Guidance on viability which was updated 1st September 2019 and can be found at <https://www.gov.uk/guidance/viability>.

1.15 Abridged versions of key components of the guidance relevant to decision taking are shown below, with some Three Dragons commentary on their applicability to setting a CIL rate:

- Where up-to-date policies have set out the contributions expected from development, planning applications that fully comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage (para 007 Reference ID: 10-007-20190509). The Fareham Local Plan (and its associated evidence base) is up to date having been found sound and adopted in 2023.
- Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. (para 010 Reference ID: 10-010-20180724). Engagement was undertaken as part of the Local Plan process, the planning application submission and through the CIL consultation and Examination.
- Gross development value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments... (abridged) and (abridged) ...For viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used. (para 011 Reference ID: 10-011-20180724). The data and its source are described later in this report;
- Assessment of costs should be based on evidence which is reflective of local market conditions (012 Reference ID: 10-012-20180724) to include:
 - build costs based on appropriate data, for example that of the Building Cost Information Service;
 - abnormal costs;
 - site-specific infrastructure costs;
 - the total cost of all relevant policy requirements including contributions towards affordable housing and the Community Infrastructure Levy (noting that CIL is an output in the process);
 - general finance costs;
 - professional, project management, sales, marketing and legal costs;
 - contingency costs with a justification for contingency relative to project risk and developers return;

- 1.16** We note that abnormal costs should be taken into account when identifying a benchmark land value – this would include for example the provision of significant open space such as the new nature reserve;
- A benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. (para 013 Reference ID: 10-013-20190509). We note that there is no guidance on the scale of the premium.
 - Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. (para 014 Reference ID: 10-014-20190509).
- 1.17** For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. (Para 018 Reference ID: 10-018-20190509). We discuss this further in relation to the viability findings.
- 1.18** Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances. Even in those circumstances an executive summary should be made publicly available. (para 021 Reference ID: 10-021-20190509).
- 1.19** PPG also states that, “Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then”.(para 008 Reference ID: 10-008-20190509). We take the same approach in terms of this site-specific assessment and how it relates back to the Local Plan and more recent CIL viability evidence, noting that both were found to be sound and robust.

Local planning policy requirements

- 1.20** Longfield Avenue has its own specific policy HA55 Land South of Longfield Avenue in the recently adopted Fareham Local Plan. The allocation is described as residential and mixed use including primary school, local centre, natural spaces and sports hub, with an indicative yield of 1,250 dwellings.
- 1.21** Key requirements of the policy include:
- the need for development to maximise the open nature of the existing landscape between the settlements of Fareham and Stubbington
 - no development to take place west of Peak Lane as this is the land set aside for the new nature reserve for Solent waders and Brent Goose habitat
 - provision of a compact, walkable, landscaped, low speed and low trafficked neighbourhood
 - primary access from Longfield Avenue and Peak Lane
 - connectivity with Fareham
 - accessible and managed green infrastructure

- provision of open space to provide alternative recreational areas
- contribution to health, education and transport requirements including:
 - 2 form entry primary school
 - Local centre (commercial, residential, community and health space)
 - Sports hub
 - Extra care scheme of between 50 – 100 units

1.22 Policy HP5 Provision of Affordable Housing requires greenfield sites such as Longfield Avenue to provide 40% of dwellings as affordable housing, with at least 10% as social rent, 55% as affordable rent and with the remainder providing a minimum of 10% affordable home ownership. Policy HP9 requires that on sites of 40 dwellings or more, 10% of the overall dwellings shall be the provision of plots for sale to address local self or custom build need.

Chapter 2 Assumptions

Introduction

2.1 This section summarises information about the application site and the proposed scheme. This is based upon the information provided by the applicant as part of the planning application submission, Fareham Borough Council and the Local Plan/CIL viability studies. HA55 Land at Longfield Avenue comprises of 1,250 dwellings on c.91ha land. At the request of FBC, planning application P/20/0646/OA (1,200 dwellings) has also been tested. The assumptions set out below apply to both tests as appropriate and with the exception of the local centre are proportionate in terms of values and costs attributed to mix, floorspace and dwellings.

Site area and land budget

2.2 The largest land interest at HA55 Land South of Longfield Avenue is 77.77ha greenfield site, planning application P/20/0646/OA (please note that 1.5ha of this is outside the HA55 allocation). The outline application proposes up to 1,200 New Homes, 80 bed care home, primary school, local centre (up to 800 sqm), community centre, health care facility, access onto Longfield Avenue and Peak Lane, new open space including country park, nature reserve and sports facilities and associated infrastructure works.

2.3 Other land interests within the H55 allocation include 6.02ha on land east of Peak Lane which FBC considers for the remaining 50 dwellings, associated open space requirements and some land which will remain in existing use. There is also a further 8.3ha on land south of Stroud Green, which FBC considers will remain in existing use.

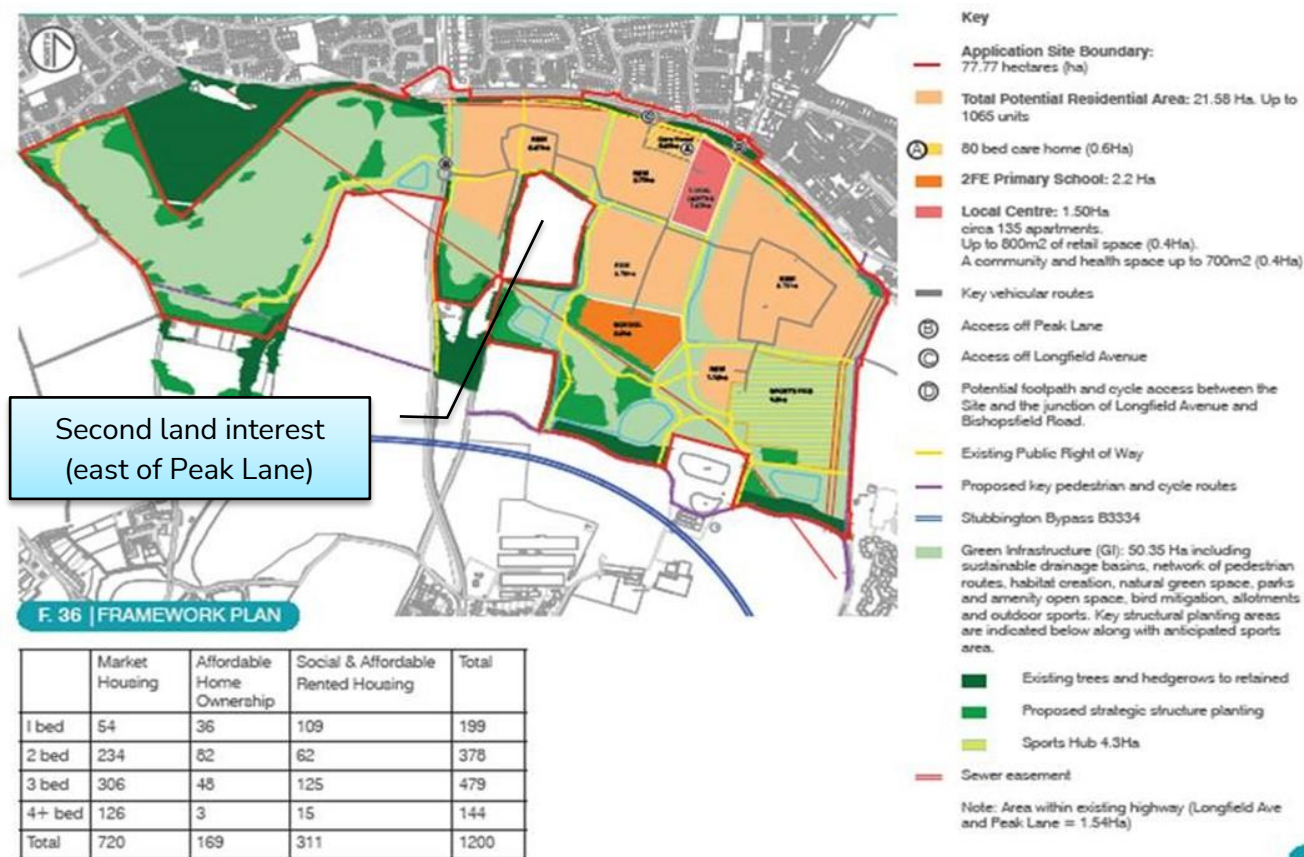
Table 2.1 proposed scheme land budget

2.4 Table 2.1 below, draws upon information set out in Figure 2.1 framework plan as well as clarifications provided by FBC as to the breakdown of some of the green/recreation infrastructure.

Table 2.1 Allocation land budget

| Land South of Longfield Avenue | Planning Application P/20/0646/OA (x-highway works outside allocation) ha | Land east of Peak Lane ha | South of Stroud Green Lane/other ha | Allocation total ha | Planning Application P/20/0646/OA (highway works outside allocation) ha |
|--|---|---------------------------|-------------------------------------|---------------------|---|
| Allocation boundary | 76.2 | 6.0 | 8.3 | 90.6 | 1.5 |
| Developable area | 44.0 | 2.4 | 0.0 | 46.5 | 0.0 |
| Non-developable (excluding highway) | 32.2 | 0.0 | 0.0 | 32.2 | 0.0 |
| Highways land | 0.0 | 0.0 | 0.0 | 0.0 | 1.5 |
| Land budget breakdown | | | | | |
| Gross residential area (ha)* | 21.6 | 1.3 | 0.0 | 22.9 | 0.0 |
| Care home (ha)* | 0.6 | 0.0 | 0.0 | 0.6 | 0.0 |
| Local centre (ha)* | 1.5 | 0.0 | 0.0 | 1.5 | 0.0 |
| Primary school* | 2.2 | 0.0 | 0.0 | 2.2 | 0.0 |
| Existing highway land and unchanged land*** | 0.0 | 3.6 | 8.3 | 11.9 | 1.5 |
| Green/recreation infrastructure breakdown | 50.4 | 1.2 | 0.0 | 51.6 | 0.0 |
| General open space (ha)* | 13.9 | 1.2 | 0.0 | 15.0 | 0.0 |
| Alternative recreational open space/habitat creation area (ha)** | 16.7 | 0.0 | 0.0 | 16.7 | 0.0 |
| Parkland/Nature reserve (Brent Geese)** | 15.5 | 0.0 | 0.0 | 15.5 | 0.0 |
| Sports Hub* | 4.3 | 0.0 | 0.0 | 4.3 | 0.0 |
| * Residential land value | | | | | |
| ** Alternative recreational open space/habitat land value | | | | | |
| *** No land value | | | | | |

Figure 2.1 Planning application framework plan



Housing mix and floor area

2.5 The housing mix and floor areas shown below are based on the table in Figure 2.1, the Local Plan policy and the viability evidence base. The dwelling numbers include the area covered by planning application P/20/0646/OA as well as the land east of Peak Lane.

Table 2.2 Housing mix and floor area

| | Tenure | Floor area sqm (net) | Number |
|-----------------------|-------------|----------------------|--------|
| Market housing | | | |
| | Flats 1 bed | 61 | 56.3 |
| | Flats 2 bed | 70 | 28.1 |
| | House 2 bed | 70 | 215.6 |
| | House 3 bed | 98 | 230.2 |
| | House 4 bed | 124 | 94.8 |
| | CSB 3 bed | 98 | 88.5 |
| | CSB 4 bed | 124 | 36.5 |
| Social rent | | | |
| | Flats 1 bed | 56 | 17.5 |
| | Flats 2 bed | - | - |
| | House 2 bed | 70 | 9.9 |

| Tenure | Floor area sqm (net) | Number |
|------------------------|----------------------|---------|
| House 3 bed | 84 | 20.0 |
| House 4 bed | 106 | 2.4 |
| Affordable rent | | |
| Flats 1 bed | 56 | 96.0 |
| Flats 2 bed | - | - |
| House 2 bed | 70 | 54.7 |
| House 3 bed | 84 | 110.2 |
| House 4 bed | 106 | 13.2 |
| Intermediate | | |
| Flats 1 bed | 56 | 37.5 |
| Flats 2 bed | 61 | 27.1 |
| House 2 bed | 70 | 58.3 |
| House 3 bed | 84 | 50.0 |
| House 4 bed | 106 | 3.1 |
| | | |
| Total flats | | 262.5 |
| Total houses | | 987.5 |
| Total dwellings | | 1,250.0 |

Market homes values

2.6 Dwelling sales values have been estimated using evidence from the Fareham CIL viability assessment. The summary sales values are shown in Table 2.3.

Table 2.3 Residential sales values (rounded)

| Transaction type | Flats | Houses |
|---|--|--|
| New build transactions £/sq m (£ unit value) | £4,140/sq m (1 bed - £253,000; 2 bed - £290,000) | £4,283/sq m (2 bed £300,000, 3 bed £418,000, 4 bed £531,000) |
| Custom build £/sq m (£ unit value) | | £4,845/sq m (3 bed £472,000, 4 bed £601,000) |

Source: Land Registry/EPC

2.7 The viability work that supported the local plan and the proposed CIL rates both used one value area for residential sales. It is accepted that there may be localised variances on any single scheme but for this initial review the standard Fareham wide figure is used. A premium of 5% is added to the standard open market values for custom build, in line with previous viability work.

Affordable homes values

2.8 For the previous viability study that informed the revised local plan, discussion with the council's housing team, a review of schemes and a survey of local Registered Providers identified a range of transfer values for affordable homes as a percentage of full market value (i.e. an estimate of how much the RPs may pay for the affordable units). These transfer values are used for this

assessment.

- 2.9** In terms of **shared ownership**, the transfer values agreed were 70% of market value. For rented the **affordable rent** is at 57.5% of market value and for **social rent** it is 42.5% of market value.

Table 2.4 Affordable homes values³

| Home type | Affordable rent | Social rent | Shared ownership |
|-------------|-------------------|-------------------|-------------------|
| 1 bed flat | £132,000 per unit | £98,000 per unit | £161,000 per unit |
| 2 bed flat | | | £177,000 per unit |
| 2 bed house | £172,000 per unit | £127,000 per unit | £210,000 per unit |
| 3 bed house | £207,000 per unit | £153,000 per unit | £252,000 per unit |
| 4 bed house | £261,000 per unit | £193,000 per unit | £318,000 per unit |

- 2.10** Retail values have been drawn from the Fareham CIL viability assessment. Whilst potentially there could be value in the health provision for the purpose of this assessment, only the cost of provision is included (as a separate cost within the s106). For care homes values are bespoke and linked to the care home provider and their investment model, therefore only the value associated with the sale of a serviced plot is assumed for the viability review. Summary values are shown in Table 2.5.

Table 2.5 Non-residential sales values

| Type | Rent £/sq m | Yield % |
|--------------------------------|---|---------|
| Retail (800 sqm) | £190 | 6.88% |
| Community and health (700 sqm) | £0 | 0% |
| Care home | Serviced site – cost neutral, assumes no return | |

Development costs

- 2.11** Development costs are either drawn from the CIL viability assessment, FBC or specific research from published data applicable to this site-specific test. It should be noted that many of the cost assumptions are standard figures used for these types of reviews and have previously been found acceptable.

Table 2.5 Development costs

| Cost item | Cost £ | Metric |
|--|-----------|-------------------------------|
| Build costs | | |
| Flats 1-2 storey | £1,822.70 | per sqm (BCIS+10% plot costs) |
| Flats 3-5 storey (local centre) ⁴ | £1,835.90 | per sqm (BCIS+10% plot costs) |
| House | £1,357.40 | per sqm (BCIS+10% plot costs) |
| Self-build | £1,732.76 | per sqm (BCIS+10% plot costs) |
| Garages ⁵ | £7,750.00 | per single garage (18sqm) |

³ Figures shown in the table are rounded

⁴ Build costs for flats with 1-2 storeys include circulation space and non-saleable space (10%) and higher for 3-5 storeys (15%)

⁵ Garages are included 50% 3 bed and 100% 4 bed for all market and CSB dwellings

| Cost item | Cost £ | Metric |
|---|-----------------|--|
| Sprinklers (local centre flats only)* | £1,500.00 | per flats (135 flats total) |
| Future homes (houses)* | £12,000.00 | per house |
| Future homes (flats)* | £8,000.00 | per flat |
| Accessibility M4 Cat 2* | £1,400 | per dwelling |
| Accessibility M4 Cat 3* | £1,661,584 | total – breakdown varies between £17k-£56k/dwelling depending on dwelling types and tenure |
| Electric charging vehicle* | £865 | per dwelling |
| Biodiversity Net Gain | £948 | per dwelling |
| Other development costs | | |
| Plot costs | 10.00% | of build costs |
| Professional Fees | 6.00% | of build costs |
| Finance Rate | 8.00% | |
| Marketing Fees | 3.00% | of market GDV for mkt and custom |
| Affordable legal costs | £500.00 | per AH dwelling |
| Agents & Legals | 1.75% | of land value |
| SDLT | prevailing rate | |
| Contingency | 3.00% | of build costs |
| | 10.00% | of infrastructure costs |
| Developer & Contractor Return | 17.5% | market/custom GDV |
| | 6% | affordable GDV |
| Infrastructure costs | | |
| Site infrastructure (General) | £25,000 | per dwelling |
| Site preparation for alternative recreational open space & nature reserve | £35,000 | per ha |
| Local policy costs | | |
| Transport | £6,537,687 | Indexed FBC estimate based on HCC Developer contributions 2007 |
| Education | £20,891,928 | Indexed FBC estimate based on HCC response to P/20/0646/OA |
| Open space/recreation/alternative recreational set up | £3,559,183 | Indexed FBC estimate based on Open Space and Sports Provision draft SPD |
| Nature reserve & geese reserve set up | £271,628 | Indexed FBC estimate based on DEFRA habitat creation costs 2015 |
| Open space/recreation/alternative recreational plus nature reserve & geese reserve management & maintenance | £7,114,391 | Indexed FBC estimate based on various |
| Habitats mitigation | £1,107,666 | Solent and New Forest mitigation strategies |
| Health facilities | £682,279 | Indexed FBC estimate based on ICB response to P/20/0646/OA |
| Care home serviced land | £214,680 | P/20/0646/OA & 3D estimates |
| Local centre /community facility | £3,395,238 | P/20/0646/OA & 3D estimates |

| Cost item | Cost £ | Metric |
|---|--------|--------|
| * These figures are incorporated within 'Build Cost (£) (inc garages)' in the summary appraisals within the Appendix to this report. Within this, the blended combined EV and accessibility cost for AH units is £4,428/dwg (£5,928/dwg with sprinklers); and £3,038/dwg for market units (£4,538 with sprinklers). | | |

2.12 The transport costs are understood to be in advance of detailed transport plans and it is acknowledged that these may be subject to change. The testing includes a sensitivity test with higher transport costs of £9,414,269 to explore what the viability impact might be. This reflects less certainty about these costs and uses the suggested infrastructure optimism bias upper adjustment of 44% set out in the supplementary Green Book guidance⁶.

2.13 The local centre and health facilities cost estimates are based on a local centre comprising of retail floorspace of 800sq. m and a community building of c507sq. m – the remaining c193sq.m is accounted for as the 'health' cost in table 2.5 as per the response to the planning application by the ICB.

2.14 Three benchmark land values are used for this assessment and are applied to the land budget as set out in table 2.1, with the following figures:

- Developable land (including general open space) - £250,000/ha
- Alternative recreation open space/nature reserve - £25,000/ha
- Highway land and unchanged use land - £0/ha

2.15 The developable land benchmark value is that used within both the local plan and CIL viability assessment prepared for FBC. The alternative recreation open space/nature reserve figure is based on similar (and accepted at Examination) figures for such land in other areas⁷. The highway land is part of the application red line as there are changes to road layout, but within these there is no change of use as per the other areas where land use is unchanged – hence the £0 land value within this assessment.

Development programme

2.16 A twelve-year development programme has been used for the viability assessment (as agreed at the local plan Examination). This includes initial site works in year 1 as well as building some of the houses in the first development parcel in year 2. House sales are assumed to commence in year 2, with a lag of 9 months between the start of house construction and completion.

⁶ <https://www.gov.uk/government/publications/green-book-supplementary-guidance-optimism-bias>

⁷ <https://eastdevon.gov.uk/planning/planning-policy/cranbrook-plan/cranbrook-plan-inspector-s-report/#article-content>

Chapter 3 Viability testing results

Introduction

- 3.1** The viability testing uses the values and costs in the previous section as the basis for the viability test. The testing includes an allowance for Future Homes 2025, finance costs at 8% and a substantial policy and mitigation packaging including relatively high contributions towards education and transport provision as well as a substantial allowance for long term management and maintenance of the open space including the nature reserve.
- 3.2** As well as the base case, the testing includes a sensitivity scenario with higher transport costs. The higher transport cost in the sensitivity test is £9.4m (compared to the base estimate of £6.5m).

Assessment results

- 3.3** The headline finding is that it is viable to develop this site and deliver the extensive package of mitigation and policy costs - whether statutory, national or local including the policy compliant affordable housing and a CIL contribution at the proposed draft charging schedule rate of £195/sq. m - as can be seen in base test column (4) in Table 3.1 below where the £195/sq m is below the available headroom of £333/sq m. This HA55 specific test result indicates that the generic test in the November 2022 assessment remains broadly suitable for recommending a CIL rate that could be applied to HA55.
- 3.4** As set out in the Fareham CIL viability assessment (November 2022), guidance does not include a method for setting CIL rates. The recommended approach to setting CIL rates in the November 2022 assessment was to maintain at least a 50% buffer⁸ for the CIL rate or a CIL rate that is less than 5% of GDV and therefore unlikely to a significant effect on delivery. In the November 2022 assessment, the proposed £195/sq m met both of these 'tests' for the generic R14 typology, which is the most similar to HA55.
- 3.5** Were FBC mindful to continue with the proposed £195/sq m rate that would apply HA55, this would result in a lower buffer of c.41% and as a proportion of GDV it would be at 3% (i.e. within the 5% of GDV threshold). This scale of buffer has been accepted when setting CIL rates elsewhere.
- 3.6** However, a lower rate with an increase in the buffer may be preferable given the timescale for the development, the current rate that would apply in absence of not taking forward the proposed rates, the FBC desire for delivery and consistency with the other rate setting in the November 2022 assessment.
- 3.7** Table 3.1 below shows the residual value or total headroom (3), headroom expressed as £/sq m of CIL liable floorspace (4), the CIL rate if a 50% buffer is assumed (5) and CIL rate as a percentage of GDV.

Table 3.1 viability results

| Scenario (1) | GDV (2) | Residual value (3) | CIL Headroom/ sq m (4) | CIL rate/ sq m with 50% buffer (5) | CIL rate as % GDV (6) |
|------------------------------------|--------------|--------------------|------------------------|------------------------------------|-----------------------|
| HA55 base test | £386,303,753 | £19,770,937 | £333 | £166 | 2.6% |
| HA55 sensitivity test | £386,303,753 | £15,510,581 | £261 | - | - |
| P/20/0646/OA ONLY base test | £370,938,856 | £18,893,720 | £331 | £166 | 2.5% |
| P/20/0646/OA ONLY sensitivity test | £370,938,856 | £14,837,304 | £260 | - | - |

- 3.8** The HA55 base viability test shows that a CIL rate of £166/sq m, assuming a 50% buffer and based on the specific assumptions set out in this report would be both viable and not pose a risk to delivery of allocation HA55. FBC could consider this £166/sq m as a separate CIL rate for HA55 which addresses the concerns set out in the CIL Examination Report (October 2023) about specific viability evidence for this allocation⁹.
- 3.9** The sensitivity test with higher transport costs has a reduced residual value and this lowers the headroom for a CIL rate to £261/sq m. However, this headroom remains above both the proposed standard CIL rate of £195/sq m as well as the reduced rate of £166/sq m discussed above for the base test. With the higher transport costs, at £166/ sq m there would be a reduced buffer of 36%, which is within the acceptable range of minimum buffers (30% to 50%).
- 3.10** In terms of the planning application P/20/0646/OA, the results are very similar in terms of the £/ sq m headroom due to the majority of assumptions being proportionate (to those used for HA55 test) to the number of dwellings.
- 3.11** The viability assessment set out in this report shows that a rate of £166/ sq m is viable and consistent in both terms of the setting of other CIL rates and the current CIL rate. However, £195/sq m could also be supported, albeit at a lower buffer. Whilst this viability assessment provides a framework for setting a CIL for HA55, ultimately the decision on which rate to set rests with FBC.
- 3.12** In approaching the question of a CIL rate to the meet the Examiner’s recommendation for allocation HA55, FBC will need to determine the balance of risks to delivery of the new Local

⁸ CIL set at a 50% buffer is based on a calculation whereby the total residual value (which is the total value or GDV of the scheme minus all the costs including land cost and developer return) is expressed as a £/CIL liable sq m headroom and to reflect potential risk and future market changes, is reduced by 50% to produce the CIL charging rate on a £/sq m basis.

⁹ This £166/sq m CIL rate is also very close to the indexed current £167.15/sq m CIL rate applying to the site under the existing adopted charging schedule.

Plan. This will include securing funds to contribute towards the infrastructure funding gap acknowledged at the examination, as well as ensuring housing delivery. In considering this risk FBC may choose to reduce the buffer to increase the proposed CIL or increase the buffer and reduce the rate – either option would comply with guidance as long as a buffer remains in place.

Conclusion

3.13 The viability testing in this report shows that:

- the draft Charging Schedule proposed CIL of £195/sq m can be supported by HA55 albeit with a lower buffer (41%).
- with a 50% buffer, FBC could consider a CIL rate of £166/sq m for HA55.
- £166/sq m is similar to the current adopted £167.15/sq m rate applicable to HA55.
- the results of the sensitivity testing that reflects potentially higher transport costs also shows that a rate of £166/sq m can be supported by HA55 albeit with a lower buffer (36%).

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| Category | Revised cost | Source | Metric | Index approach | Phasing approach |
|--|--------------------|---|--|---|---|
| Transport | | | | | |
| Planning application P/20/0646 | £6,257,561 | HCC Highways Developer Contributions (2007) | Assumes 8204 trips at 7 trips per dwelling (3.5 for 1 beds) and a £535 cost per trip at 2007 prices | Indexed from 2007 to 2Q2022 £800.36 per trip | Frontloaded in first 3 years, with further allowances at mid stage of development |
| Land east of Peak Lane (50 dwellings) | £280,126 | As above | Based on above with 350 trips per unit | Index approach as above | As above |
| Transport total | £6,537,687 | | | | |
| | | | | | |
| Education | | | | | |
| Planning application P/20/0646 | £20,254,073 | HCC Planning application response | 2FE primary new school (£8,606,394), 2FE extension to secondary school (£9,807,506), SEND places (£621,870) & school travel plan (£53,000) - all at 4Q2021 prices. | Indexed from 4Q2021 to 2Q2022 £20,254,073 total | In line with completions |
| Land east of Peak Lane (50) dwellings) | £637,855 | No specific advice - allowance based on above | Based on primary (15 places) and secondary (10 places) requirements | Indexing approach as above | As above |
| Education total | £20,891,928 | | | | |
| | | | | | |

| Category | Revised cost | Source | Metric | Index approach | Phasing approach |
|--|--------------|--|--|-------------------------------|---------------------------|
| Open space and recreation | | | | | |
| Open space/recreation/alternative recreation set up - Planning application P/20/0646 | £3,517,505 | FBC SPD Open Space and Sports Provision (proposed) | Open Space (30.55 ha @£10.20 sqm) £3,117,505 - NEAP £250,000 - LAPs (10) £150,000 *Sports pitch requirement will be a site only | Indexed from 2Q2023 to 2Q2022 | In line with construction |
| Open space/recreation set up - Land east of Peak Lane (50 dwellings) | £41,678 | As above | Based on the same approach above | Indexing approach as above | As above |
| Total open space/recreation/alternative recreational set up | £3,559,183 | | | | |
| Nature reserve set up - Planning application P/20/0646 | £172,577 | 2015 DEFRA Cost estimation for habitat creation | Drier Grassland (15.5 ha @£1.11 sqm) £172,577 | Indexed from 2015 to 2Q2022 | Year 1 |
| Functionally Linked site (Geese) land east of Peak Lane (50 dwellings) | £99,051 | FBC bird mitigation | N/A | N/A | Year 1 |
| Alternative recreational space & nature reserve set up - Land east of Peak Lane (50 dwellings) | N/A | N/A | N/A | N/A | N/A |
| Total nature reserve & geese set up | £271,628 | | | | |

| Category | Revised cost | Source | Metric | Index approach | Phasing approach |
|---|--------------------|--|--|--|---|
| Management and maintenance (all) - Planning application P/20/0646 | £7,020,925 | Bird Aware Mitigation Strategy for Bird Reserve management; FBC SPD Open Space and Sports Provision (proposed); Local Authority examples for natural/semi natural parkland | - Bird Mitigation (15.5 ha @ £4 sqm) £627,750 - Southern Parkland (16.7 ha @ £12 sqm) £2,004,000 - General Open Space (13.85 ha @£24 sqm) £3,300,455 - Sports Provision (3.1* ha - SPD requirement @£35 sqm) £1,088,720 | Costs drawn from SPD indexed from 2Q2023 to 2Q2022 | 2 tranches of payment towards the middle and end of development |
| Management and maintenance (all) -Land east of Peak Lane (50 dwellings) | £93,466 | As above | Based on the same approach above | As above | As above |
| Total management and maintenance (all) | £7,114,391 | | | | |
| Open space total | £10,846,151 | | | | |
| | | | | | |
| Habitats | | | | | |
| Solent mitigation - Planning application P/20/0646 | £766,905 | Solent Recreation Mitigation Strategy | 1 bed - £390 2 bed - £563 3 bed - £735 4 bed - £864 | No indexing required as FBC consider base dates the same | In line with completions |
| Solent mitigation - Land east of Peak Lane (50 dwellings) | £31,954 | As above | As above | As above | As above |
| Solent mitigation total | £798,859 | | | | |

| Category | Revised cost | Source | Metric | Index approach | Phasing approach |
|---|-------------------|--|--|--|--------------------------|
| New Forest mitigation - Planning application P/20/0646 | £296,454 | New Forest Mitigation Strategy | £247.05 / unit | No indexing required as FBC consider base dates the same | In line with completions |
| New Forest mitigation - Land east of Peak Lane (50 dwellings) | £12,352.5 | As above | As above | As above | As above |
| New Forest mitigation total | £308,807 | | | | |
| Habitats total | £1,107,666 | | | | |
| | | | | | |
| Other requirements | | | | | |
| Health facilities - Planning application P/20/0646 | £653,479 | ICB Planning application response | 193.2 sqm of provision equivalent to a contribution of £576 / dwelling | Indexed from 2Q2023 to 2Q2022 | Middle of development |
| Health facilities - Land east of Peak Lane | £28,800 | Based on above | £576 / dwelling | As above | As above |
| Total health facilities | £682,279 | | | | |
| Care home (serviced land costs) | £214,680 | Planning application & 3D cost estimates | Serviced land cost | No indexing required - cost base is at 2Q2022 | Middle of development |
| Local centre /community development costs | £3,395,238 | Planning application & 3D cost estimates | Standard development costs. Note that floorspace has been reduced (by 193.2 sqm) to account for health provision cost attributed separately. | No indexing required - cost base is at 2Q2023 | Middle of development |

Appendix B Viability appraisal summaries HA55 & P/20/0644/OA

Summary Report 1

| Site Name | | HA55 Longfield Avenue | | | | | | Land and Developer Returns | | | | | | |
|--|----------------|---|--------------|--------------|--------------|--------------------------------|-------------|-------------------------------------|--------------------------------------|--------------|------------------|--------------|--------|---|
| Site Information | | Based on policy HA55 Fareham Local Plan & planning application P/20/0646/OA | | | | | | Land & associated costs included in | | | | | | |
| Description | | | | | | | | Developer & contractor returns | | | | | | |
| Date | 22/11/2023 | Updated | | Compiled by | gate & D. Hd | Reference | | CIL v2 | | | | | | |
| Summary Details | | | | | Dwellings | NIA (Exc garages & circ space) | Garages | Circ space | Total GIA (inc circ space & garages) | | | | | |
| | Net Area | 46.47 | hectares | | 1,250.00 | 103,610.9 | 5,231.3 | 2,252.5 | 111,094.7 | | | | | |
| | Gross Area | 90.57 | hectares | Market | 750.00 | 67,846.9 | 5,231.3 | 938.8 | 74,016.9 | | | | | |
| | Net to Gross % | 51.31% | | Affordable | 500.00 | 35,764.1 | - | 1,313.7 | 37,077.8 | | | | | |
| Density | 26.90 | per net ha | % Affordable | 40.00% | | | | | | | | | | |
| Scheme Revenue | | | | | | | | | | | | | | |
| | | Total | Market Sale | Not Selected | Custom Build | Not Selected | Social Rent | Affordable Rent | Not Selected | Not Selected | Shared Ownership | Not Selected | | |
| Total No of Units | | 1,250.00 | 625.00 | - | 125.00 | - | 49.79 | 274.17 | - | - | 176.04 | - | | |
| Total NIA exc garages & circ space (sq m) | | 103,610.9 | 54,693.2 | - | 13,153.6 | - | 3,597.9 | 19,818.2 | - | - | 12,347.9 | - | | |
| Garages (sq m) | | 5,231.3 | 3,778.1 | - | 1,453.1 | - | - | - | - | - | - | - | | |
| Total NIA inc garages exc circ space (sq m) | | 108,842.2 | 58,471.4 | - | 14,606.8 | - | 3,597.9 | 19,818.2 | - | - | 12,347.9 | - | | |
| Tenure Split (by %) | | 50.00% | 50.00% | - | 10.00% | - | 3.98% | 21.93% | - | - | 14.08% | - | | |
| Sales Revenue (£) | | 384,122,440 | 233,478,901 | - | 59,153,965 | - | 6,494,167 | 48,349,688 | - | - | 36,645,721 | - | | |
| Average Revenue per unit (£) | | 307,298 | 373,566 | - | 473,232 | - | 130,427 | 176,351 | - | - | 208,165 | - | | |
| Average Revenue (£ per sq m) GIA | | 3,707 | 4,269 | - | 4,497 | - | 1,805 | 2,440 | - | - | 2,968 | - | | |
| Capital Contributions (£) | | | | | | | | | | | | | | |
| Local centre revenue | | 1,966,633 | | | | | | | | | | | | |
| Care home serviced land | | 214,680 | | | | | | | | | | | | |
| | | 0 | | | | | | | | | | | | |
| Total Capital contributions (£) | | 2,181,313 | | | | | | | | | | | | |
| Total Revenue (£) | | 386,303,753 | | | | | | | | | | | | |
| Scheme Development Costs (£) | | | | | | | | | | | | | | |
| Land (£) | | 12,422,500 | 137,159 | per gross ha | | | | | | | | | | |
| SDLT at prevailing rate (£) | | 610,625 | | | | | | | | | | | | |
| Agents Fees (1.25%), Legal Fees (0.5%) Total - 1.75% (£) | | 217,394 | | | | | | | | | | | | |
| Land & associated fees Total (£) | | 13,250,519 | 146,301 | per gross ha | | | | | | | | | | |
| | | Total | Market Sale | Not Selected | Custom Build | Not Selected | Social Rent | Affordable Rent | Not Selected | Not Selected | Shared Ownership | Not Selected | | |
| Build Cost (£) (inc garages) | | 177,922,226 | 89,354,350 | - | 25,328,283 | - | 6,328,870 | 34,847,326 | - | - | 22,063,397 | - | | |
| Additional Build Costs (£) | | - | - | - | - | - | - | - | - | - | - | - | | |
| Total GIA inc circ space (sq m) | | 105,863 | 55,632 | - | 13,154 | - | 3,725 | 20,518 | - | - | 12,834 | - | | |
| Total Contingency - 3% Build Costs (£) | | 5,337,667 | | | | | | | | | | | | |
| Total Build Cost (£) | | 183,259,893 | 89,354,350 | - | 25,328,283 | - | 6,328,870 | 34,847,326 | - | - | 22,063,397 | - | | |
| Policy & Infrastructure Costs (£) | | | | | | | | | | | | | | |
| | | - | | | | | | | | | | | | |
| General site infrastructure | | 31,250,000 | | | | | | | | | | | | |
| General site infrastructure contingency 10% | | 3,125,000 | | | | | | | | | | | | |
| Transport | | 6,537,687 | | | | | | | | | | | | |
| Education | | 20,891,928 | | | | | | | | | | | | |
| Open space, recreation, AROS | | 3,559,183 | | | | | | | | | | | | |
| Nature reserve, geese | | 271,628 | | | | | | | | | | | | |
| M&M open space, recreation, AROS, reserve | | 7,114,391 | | | | | | | | | | | | |
| Habitat mitigation - Solent, New Forest | | 1,107,666 | | | | | | | | | | | | |
| Health | | 682,279 | | | | | | | | | | | | |
| Care home | | 214,680 | | | | | | | | | | | | |
| Local centre | | 3,395,238 | | | | | | | | | | | | |
| BNG | | 1,185,000 | | | | | | | | | | | | |
| Total Policy & Infrastructure Costs (£) | | 79,334,680 | | | | | | | | | | | | |
| Sales & Marketing Costs & Legal Fees Total (Mkt Hsg) | | 8,778,986 | 7,004,367 | - | 1,774,619 | - | | | | | | | | |
| Sales & Marketing Costs & Legal Fees Total (Aff Hsg) | | 250,000 | | | | | | | 24,896 | 137,083 | - | - | 88,021 | - |
| Professional Fees Total (£) | | 12,239,555 | 5,361,261 | - | 3,083,919 | - | 379,732 | 2,090,840 | - | - | 1,323,804 | - | | |
| CIL (£) | | - | | | | | | | | | | | | |
| Total Development Costs (£) | | 297,113,633 | | | | | | | | | | | | |
| Development Period | | | | | | | | | | | | | | |
| Development Period | | 12 Years | | | | | | | | | | | | |
| Debit Interest Rate | | 8.00% | | | | | | | | | | | | |
| Credit Interest Rate | | 0.00% | | | | | | | | | | | | |
| Annual Discount Rate | | 0.00% | | | | | | | | | | | | |
| Revenue and Capital Contributions (£) | | 386,303,753 | | | | | | | | | | | | |
| Land & associated Fees - inc in interest calc (£) | | 13,250,519 | | | | | | | | | | | | |
| Development Costs (£) | | 283,863,114 | | | | | | | | | | | | |
| Finance (£) | | 12,719,057 | | | | | | | | | | | | |
| ADR Cost (£) | | 0 | | | | | | | | | | | | |
| Total Dev Costs Inc Finance & ADR Costs (£) | | 309,832,690 | | | | | | | | | | | | |
| Gross Residual Value inc land less finance (£) | | 76,471,063 | | | | | | | | | | | | |
| Total Developer/Contractor Return (£) | | 56,700,126 | | | | | | | | | | | | |
| Gross Residual Value inc land less finance (£) less Dev & Cont Returns (£) | | 19,770,937 | | | | | | | | | | | | |

| Summary Report 1 | | | | | | | | | | | | |
|--|---|--------------------|-------------------|--------------|----------------------|--------------------------------|------------------|-------------------|--------------------------------------|---|-------------------|--------------|
| Site Name | P/20/0646/OA Longfield Avenue | | | | | | | | | Land and Developer Returns Assumptions | | |
| Site Information | Based on policy NA55 Fareham Local Plan & planning application P/20/0646/OA | | | | | | | | | Land & associated costs included in cashflow | | |
| Description | | | | | | | | | | Developer & contractor returns excluded from cashflow | | |
| Date | 10/10/2023 | Updated | | Compiled By | Felgate & D. Houston | Reference | | CIL v2 | | | | |
| Summary Details | | | | | | | | | | | | |
| | Net Area | 44.03 | hectares | | Dwellings | NIA (Exc garages & circ space) | Garages | Circ space | Total GIA (inc circ space & garages) | | | |
| | Gross Area | 77.77 | hectares | Market | 1,200.00 | 99,466.5 | 5,022.0 | 2,183.9 | 106,672.4 | | | |
| | Net to Gross % | 56.62% | | Affordable | 720.00 | 65,133.0 | 5,022.0 | 914.8 | 71,069.8 | | | |
| | Density | 27.25 | per net ha | % Affordable | 480.00 | 34,333.5 | - | 1,269.1 | 35,602.6 | | | |
| Scheme Revenue | | | | | | | | | | | | |
| | | Total | Market Sale | Net Selected | Custom Build | Not Selected | Social Rent | Affordable Rent | Not Selected | Not Selected | Shared Ownership | Not Selected |
| | Total No of Units | 1,200.00 | 600.00 | - | 120.00 | - | 47.80 | 263.20 | - | - | 169.00 | - |
| | Total NIA exc garages & circ space (sq m) | 99,466.5 | 52,505.5 | - | 12,627.5 | - | 3,454.0 | 19,025.5 | - | - | 11,854.0 | - |
| | Garages (sq m) | 5,022.0 | 3,627.0 | - | 1,395.0 | - | - | - | - | - | - | - |
| | Total NIA inc garages exc circ space (sq m) | 104,488.5 | 56,132.5 | - | 14,022.5 | - | 3,454.0 | 19,025.5 | - | - | 11,854.0 | - |
| | Tenure Split (by %) | | 50.00% | | 10.00% | | 3.98% | 21.93% | | | 14.08% | |
| | Sales Revenue (£) | 368,757,543 | 224,139,745 | - | 56,787,806 | - | 6,234,400 | 46,415,700 | - | - | 35,179,892 | - |
| | Average Revenue per unit (£) | 307,298 | 373,566 | - | 473,232 | - | 130,427 | 176,351 | - | - | 208,165 | - |
| | Average Revenue (£ per sq m) GIA | 3,707 | 4,269 | - | 4,497 | - | 1,805 | 2,440 | - | - | 2,968 | - |
| Capital Contributions (£) | | | | | | | | | | | | |
| | Local centre revenue | 1,966,633 | | | | | | | | | | |
| | Care home serviced land | 214,680 | | | | | | | | | | |
| | 0 | - | | | | | | | | | | |
| | 0 | - | | | | | | | | | | |
| | 0 | - | | | | | | | | | | |
| | 0 | - | | | | | | | | | | |
| | Total Capital contributions (£) | 2,181,313 | | | | | | | | | | |
| Total Revenue (£) | | | | | | | | | | | | |
| | | 370,938,856 | | | | | | | | | | |
| Scheme Development Costs (£) | | | | | | | | | | | | |
| | Land (£) | 11,812,500 | 151,890 | per gross ha | | | | | | | | |
| | SDLT at prevailing rate (£) | 580,125 | | | | | | | | | | |
| | Agents Fees (1.25%), Legal Fees (0.5%) Total - 1.75% (£) | 206,719 | | | | | | | | | | |
| | Land & associated fees Total (£) | 12,599,344 | 162,008 | per gross ha | | | | | | | | |
| | | Total | Market Sale | Net Selected | Custom Build | Not Selected | Social Rent | Affordable Rent | Not Selected | Not Selected | Shared Ownership | Not Selected |
| | Build Cost (£) (inc garages) | 170,857,737 | 85,812,959 | - | 24,315,152 | - | 6,077,653 | 33,464,093 | - | - | 21,187,879 | - |
| | Additional Build Costs (£) | - | - | - | - | - | - | - | - | - | - | - |
| | Total GIA inc circ space (sq m) Total | 101,650 | 53,420 | - | 12,628 | - | 3,577 | 19,702 | - | - | 12,324 | - |
| | Contingency - 3% Build Costs (£) | 5,125,733 | | | | | | | | | | |
| | Total Build Cost (£) | 175,983,470 | 85,812,959 | - | 24,315,152 | - | 6,077,653 | 33,464,093 | - | - | 21,187,879 | - |
| Policy & Infrastructure Costs (£) | | | | | | | | | | | | |
| | General site infrastructure | 30,000,000 | | | | | | | | | | |
| | General site infrastructure contingency 10% | 3,000,000 | | | | | | | | | | |
| | Transport | 6,257,561 | | | | | | | | | | |
| | Education | 20,254,073 | | | | | | | | | | |
| | Open space/recreation/alternative recreational set up | 3,517,505 | | | | | | | | | | |
| | Nature reserve & geese set up | 172,577 | | | | | | | | | | |
| | M&M open space, recreation ARDS, nature | 7,020,925 | | | | | | | | | | |
| | Habitats - Solent & New Forest | 1,063,359 | | | | | | | | | | |
| | Health facilities | 653,479 | | | | | | | | | | |
| | Care home serviced land | 214,680 | | | | | | | | | | |
| | Local centre/community facility | 3,395,238 | | | | | | | | | | |
| | BNG | 1,137,600 | | | | | | | | | | |
| | - | - | | | | | | | | | | |
| | - | - | | | | | | | | | | |
| | Total Policy & Infrastructure Costs (£) | 76,686,997 | | | | | | | | | | |
| | Sales & Marketing Costs & Legal Fees Total (Mkt Hsg) | 8,427,827 | 6,724,192 | - | 1,703,634 | - | | | | | | |
| | Sales & Marketing Costs & Legal Fees Total (Aff Hsg) | 240,000 | | | | | 23,900 | 131,600 | - | - | 84,500 | - |
| | Professional Fees Total (£) | 11,753,117 | 5,148,778 | - | 2,960,562 | - | 364,659 | 2,007,846 | - | - | 1,271,273 | - |
| | CIL (£) | - | | | | | | | | | | |
| Total Development Costs (£) | | | | | | | | | | | | |
| | | 285,690,754 | | | | | | | | | | |
| Financial Summary | | | | | | | | | | | | |
| | Development Period | 12 | Years | | | | | | | | | |
| | Debit Interest Rate | 8.00% | | | | | | | | | | |
| | Credit Interest Rate | 0.00% | | | | | | | | | | |
| | Annual Discount Rate | 0.00% | | | | | | | | | | |
| | Revenue and Capital Contributions (£) | 370,938,856 | | | | | | | | | | |
| | Land & associated Fees - inc in interest calc (£) | 12,599,344 | | | | | | | | | | |
| | Development Costs (£) | 273,091,410 | | | | | | | | | | |
| | Finance (£) | 11,922,260 | | | | | | | | | | |
| | ADR Cost (£) | 0 | | | | | | | | | | |
| | Total Dev Costs Inc Finance & ADR Costs (£) | 297,613,014 | | | | | | | | | | |
| | Gross Residual Value inc land less finance (£) | 73,325,841 | | | | | | | | | | |
| | Total Developer/Contractor Return (£) | 54,432,121 | | | | | | | | | | |
| | Gross Residual Value inc land less finance (£) less Dev & Cont Returns (£) | 18,893,720 | | | | | | | | | | |

Appendix C Sensitivity viability appraisal summaries

| Summary Report 1 | | | | | | | | | | | |
|--|--|-------------|--------------|--------------|--------------|--------------------------------|-----------------|--------------|--------------------------------------|------------------|--------------|
| Site Name | HA55 Longfield Avenue sensitivity | | | | | | | | Land and Developer Returns | | |
| Site Information | Based on policy HA55 Fareham Local Plan & planning application P/20/0646/OA with 44% | | | | | | | | Land & associated costs included in | | |
| Description | | | | | | | | | Developer & contractor returns | | |
| Date | 22/11/2023 | Updated | | Compiled by | gate & D. Hc | Reference | CIL v2 | | | | |
| Summary Details | | | | | Dwellings | NIA (Exc garages & circ space) | Garages | Circ space | Total GIA (inc circ space & garages) | | |
| | Net Area | 46.47 | hectares | | 1,250.00 | 103,610.9 | 5,231.3 | 2,252.5 | 111,094.7 | | |
| | Gross Area | 90.57 | hectares | Market | 750.00 | 67,846.9 | 5,231.3 | 938.8 | 74,016.9 | | |
| | Net to Gross % | 51.31% | | Affordable | 500.00 | 35,764.1 | - | 1,313.7 | 37,077.8 | | |
| Density | 26.90 | per net ha | % Affordable | 40.00% | | | | | | | |
| Scheme Revenue | | | | | | | | | | | |
| | Total | Market Sale | Not Selected | Custom Build | Not Selected | Social Rent | Affordable Rent | Not Selected | Not Selected | Shared Ownership | Not Selected |
| Total No of Units | 1,250.00 | 625.00 | - | 125.00 | - | 49.79 | 274.17 | - | - | 176.04 | - |
| Total NIA exc garages & circ space (sq m) | 103,610.9 | 54,693.2 | - | 13,153.6 | - | 3,597.9 | 19,818.2 | - | - | 12,347.9 | - |
| Garages (sq m) | 5,231.3 | 3,778.1 | - | 1,453.1 | - | - | - | - | - | - | - |
| Total NIA inc garages exc circ space (sq m) | 108,842.2 | 58,471.4 | - | 14,606.8 | - | 3,597.9 | 19,818.2 | - | - | 12,347.9 | - |
| Tenure Split (by %) | | 50.00% | | 10.00% | | 3.98% | 21.93% | | | 14.08% | |
| Sales Revenue (£) | 384,122,440 | 233,478,901 | - | 59,153,965 | - | 6,494,167 | 48,349,688 | - | - | 36,645,721 | - |
| Average Revenue per unit (£) | 307,298 | 373,566 | - | 473,232 | - | 130,427 | 176,351 | - | - | 208,165 | - |
| Average Revenue (£ per sq m) GIA | 3,707 | 4,269 | - | 4,497 | - | 1,805 | 2,440 | - | - | 2,968 | - |
| Capital Contributions (£) | | | | | | | | | | | |
| Local centre revenue | 1,966,633 | | | | | | | | | | |
| Care home serviced land | 214,680 | | | | | | | | | | |
| | 0 | | | | | | | | | | |
| Total Capital contributions (£) | 2,181,313 | | | | | | | | | | |
| Total Revenue (£) | 386,303,753 | | | | | | | | | | |
| Scheme Development Costs (£) | | | | | | | | | | | |
| Land (£) | 12,422,500 | 137,159 | per gross ha | | | | | | | | |
| SDLT at prevailing rate (£) | 610,625 | | | | | | | | | | |
| Agents Fees (1.25%), Legal Fees (0.5%) Total - 1.75% (£) | 217,394 | | | | | | | | | | |
| Land & associated fees Total (£) | 13,250,519 | 146,301 | per gross ha | | | | | | | | |
| | Total | Market Sale | Not Selected | Custom Build | Not Selected | Social Rent | Affordable Rent | Not Selected | Not Selected | Shared Ownership | Not Selected |
| Build Cost (£) (inc garages) | 177,922,226 | 89,354,350 | - | 25,328,283 | - | 6,328,870 | 34,847,326 | - | - | 22,063,397 | - |
| Additional Build Costs (£) | - | - | - | - | - | - | - | - | - | - | - |
| Total GIA inc circ space (sq m) | 105,863 | 55,632 | - | 13,154 | - | 3,725 | 20,518 | - | - | 12,834 | - |
| Total Contingency - 3% Build Costs (£) | 5,337,667 | | | | | | | | | | |
| Total Build Cost (£) | 183,259,893 | 89,354,350 | - | 25,328,283 | - | 6,328,870 | 34,847,326 | - | - | 22,063,397 | - |
| Policy & Infrastructure Costs (£) | | | | | | | | | | | |
| General site infrastructure | 31,250,000 | | | | | | | | | | |
| General site infrastructure contingency 10% | 3,125,000 | | | | | | | | | | |
| Transport | 9,414,269 | | | | | | | | | | |
| Education | 20,891,928 | | | | | | | | | | |
| Open space, recreation, AROS | 3,559,183 | | | | | | | | | | |
| Nature reserve, geese | 271,628 | | | | | | | | | | |
| M&M open space, recreation, AROS, reserve | 7,114,391 | | | | | | | | | | |
| Habitat mitigation - Solent, New Forest | 1,107,666 | | | | | | | | | | |
| Health | 682,279 | | | | | | | | | | |
| Care home | 214,680 | | | | | | | | | | |
| Local centre | 3,395,238 | | | | | | | | | | |
| BNG | 1,185,000 | | | | | | | | | | |
| Total Policy & Infrastructure Costs (£) | 82,211,262 | | | | | | | | | | |
| Sales & Marketing Costs & Legal Fees Total (Mkt Hsg) | 8,778,986 | 7,004,367 | - | 1,774,619 | - | | | | | | |
| Sales & Marketing Costs & Legal Fees Total (Aff Hsg) | 250,000 | | | | | | | | | | |
| Professional Fees Total (£) | 12,239,555 | 5,361,261 | - | 3,083,919 | - | 379,732 | 2,090,840 | - | - | 1,323,804 | - |
| CIL (£) | - | | | | | | | | | | |
| Total Development Costs (£) | 299,990,215 | | | | | | | | | | |
| Development Period | | | | | | | | | | | |
| Development Period | 12 | Years | | | | | | | | | |
| Debit Interest Rate | 8.00% | | | | | | | | | | |
| Credit Interest Rate | 0.00% | | | | | | | | | | |
| Annual Discount Rate | 0.00% | | | | | | | | | | |
| Revenue and Capital Contributions (£) | 386,303,753 | | | | | | | | | | |
| Land & associated Fees - inc in interest calc (£) | 13,250,519 | | | | | | | | | | |
| Development Costs (£) | 286,739,696 | | | | | | | | | | |
| Finance (£) | 14,102,832 | | | | | | | | | | |
| ADR Cost (£) | 0 | | | | | | | | | | |
| Total Dev Costs Inc Finance & ADR Costs (£) | 314,093,047 | | | | | | | | | | |
| Gross Residual Value inc land less finance (£) | 72,210,707 | | | | | | | | | | |
| Total Developer/Contractor Return (£) | 56,700,126 | | | | | | | | | | |
| Gross Residual Value inc land less finance (£) less Dev & Cont Returns (£) | 15,510,581 | | | | | | | | | | |

| Summary Report 1 | | | | | | | | | | | | | |
|---|---|--------------------|---------------------|---------------------|----------------------|--------------------------------|------------------------|---|---------------------|-------------------------|---------------------|--------------------------------------|-----------|
| Site Name | P/20/0646/OA Longfield Avenue | | | | | | | Land and Developer Returns Assumptions | | | | | |
| Site Information | Based on policy NA55 Fareham Local Plan & planning application P/20/0646/OA | | | | | | | Land & associated costs included in cashflow | | | | | |
| Description | | | | | | | | Developer & contractor returns excluded from cashflow | | | | | |
| Date | 10/10/2023 | Updated | | Compiled by | Felgate & D. Houston | Reference | CIL v2 | | | | | | |
| Summary Details | | | | | | | | | | | | | |
| | Net Area | 44.03 hectares | | Dwellings | 1,200.00 | NIA (Exc garages & circ space) | 99,466.5 | Garages | 5,022.0 | Circ space | 2,183.9 | Total GIA (inc circ space & garages) | 106,672.4 |
| | Gross Area | 77.77 hectares | Market | | 720.00 | | 65,133.0 | | 5,022.0 | | 914.8 | | 71,069.8 |
| | Net to Gross % | 56.62% | Affordable | | 480.00 | | 34,333.5 | | - | | 1,269.1 | | 35,602.6 |
| | Density | 27.25 per net ha | % Affordable | | 40.00% | | | | | | | | |
| Scheme Revenue | | | | | | | | | | | | | |
| | Total | Market Sale | Not Selected | Custom Build | Not Selected | Social Rent | Affordable Rent | Not Selected | Not Selected | Shared Ownership | Not Selected | | |
| Total No of Units | 1,200.00 | 600.00 | - | 120.00 | - | 47.80 | 263.20 | - | - | 169.00 | - | | |
| Total NIA exc garages & circ space (sq m) | 99,466.5 | 52,505.5 | - | 12,627.5 | - | 3,454.0 | 19,025.5 | - | - | 11,854.0 | - | | |
| Garages (sq m) | 5,022.0 | 3,627.0 | - | 1,395.0 | - | - | - | - | - | - | - | | |
| Total NIA inc garages exc circ space (sq m) | 104,488.5 | 56,132.5 | - | 14,022.5 | - | 3,454.0 | 19,025.5 | - | - | 11,854.0 | - | | |
| Tenure Split (by %) | | 50.00% | | 10.00% | | 3.98% | 21.93% | | | 14.08% | | | |
| Sales Revenue (£) | 368,757,543 | 224,139,745 | - | 56,787,806 | - | 6,234,400 | 46,415,700 | - | - | 35,179,892 | - | | |
| Average Revenue per unit (£) | 307,298 | 373,566 | - | 473,232 | - | 130,427 | 176,351 | - | - | 208,165 | - | | |
| Average Revenue (£ per sq m) GIA | 3,707 | 4,269 | - | 4,497 | - | 1,805 | 2,440 | - | - | 2,968 | - | | |
| Capital Contributions (£) | | | | | | | | | | | | | |
| Local centre revenue | 1,966,633 | | | | | | | | | | | | |
| Care home serviced land | 214,680 | | | | | | | | | | | | |
| 0 | - | | | | | | | | | | | | |
| 0 | - | | | | | | | | | | | | |
| 0 | - | | | | | | | | | | | | |
| 0 | - | | | | | | | | | | | | |
| Total Capital contributions (£) | 2,181,313 | | | | | | | | | | | | |
| Total Revenue (£) | 370,938,856 | | | | | | | | | | | | |
| Scheme Development Costs (£) | | | | | | | | | | | | | |
| Land (£) | 11,812,500 | 151.890 | per gross ha | | | | | | | | | | |
| SDLT at prevailing rate (£) | 580,125 | | | | | | | | | | | | |
| Agents Fees (1.25%), Legal Fees (0.5%) Total - 1.75% (£) | 206,719 | | | | | | | | | | | | |
| Land & associated fees Total (£) | 12,599,344 | 162.008 | per gross ha | | | | | | | | | | |
| | Total | Market Sale | Not Selected | Custom Build | Not Selected | Social Rent | Affordable Rent | Not Selected | Not Selected | Shared Ownership | Not Selected | | |
| Build Cost (£) (inc garages) | 170,857,737 | 85,812,959 | - | 24,315,152 | - | 6,077,653 | 33,464,093 | - | - | 21,187,879 | - | | |
| Additional Build Costs (£) | - | - | - | - | - | - | - | - | - | - | - | | |
| Total GIA inc circ space (sq m) Total | 101,650 | 53,420 | - | 12,628 | - | 3,577 | 19,702 | - | - | 12,324 | - | | |
| Contingency - 3% Build Costs (£) | 5,125,733 | | | | | | | | | | | | |
| Total Build Cost (£) | 175,983,470 | 85,812,959 | - | 24,315,152 | - | 6,077,653 | 33,464,093 | - | - | 21,187,879 | - | | |
| Policy & Infrastructure Costs (£) | | | | | | | | | | | | | |
| General site infrastructure | 30,000,000 | | | | | | | | | | | | |
| General site infrastructure contingency 10% | 3,000,000 | | | | | | | | | | | | |
| Transport | 9,010,888 | | | | | | | | | | | | |
| Education | 20,254,073 | | | | | | | | | | | | |
| Open space/recreation/alternative recreational set up | 3,517,505 | | | | | | | | | | | | |
| Nature reserve & geese set up | 172,577 | | | | | | | | | | | | |
| M&M open space, recreation - AROS, nature | 7,030,925 | | | | | | | | | | | | |
| Habitats - Solent & New Forest | 1,063,359 | | | | | | | | | | | | |
| Health facilities | 653,479 | | | | | | | | | | | | |
| Care home serviced land | 214,680 | | | | | | | | | | | | |
| Local centre/community facility | 3,395,238 | | | | | | | | | | | | |
| BNG | 1,137,600 | | | | | | | | | | | | |
| - | - | | | | | | | | | | | | |
| - | - | | | | | | | | | | | | |
| Total Policy & Infrastructure Costs (£) | 79,440,324 | | | | | | | | | | | | |
| Sales & Marketing Costs & Legal Fees Total (Mkt Hsg) | 8,427,827 | 6,724,192 | - | 1,703,634 | - | | | | | | | | |
| Sales & Marketing Costs & Legal Fees Total (Aff Hsg) | 240,000 | | | | | 23,900 | 131,600 | - | - | 84,500 | - | | |
| Professional Fees Total (£) | 11,753,117 | 5,148,778 | - | 2,960,562 | - | 364,659 | 2,007,846 | - | - | 1,271,273 | - | | |
| CIL (£) | - | | | | | | | | | | | | |
| Total Development Costs (£) | 288,444,081 | | | | | | | | | | | | |
| Development Period | | | | | | | | | | | | | |
| Development Period | 12 Years | | | | | | | | | | | | |
| Debit Interest Rate | 8.00% | | | | | | | | | | | | |
| Credit Interest Rate | 0.00% | | | | | | | | | | | | |
| Annual Discount Rate | 0.00% | | | | | | | | | | | | |
| Revenue and Capital Contributions (£) | 370,938,856 | | | | | | | | | | | | |
| Land & associated Fees - inc in interest calc (£) | 12,599,344 | | | | | | | | | | | | |
| Development Costs (£) | 275,844,737 | | | | | | | | | | | | |
| Finance (£) | 13,225,350 | | | | | | | | | | | | |
| ADR Cost (£) | 0 | | | | | | | | | | | | |
| Total Dev Costs Inc Finance & ADR Costs (£) | 301,669,431 | | | | | | | | | | | | |
| Gross Residual Value inc land less finance (£) | 69,269,424 | | | | | | | | | | | | |
| Total Developer/Contractor Return (£) | 54,432,121 | | | | | | | | | | | | |
| Gross Residual Value inc land less finance (£) less Dev & Cont Returns (£) | 14,837,304 | | | | | | | | | | | | |



31st January 2024
Our Ref: OJ/18.214

Peter Drake Esq
Fareham Borough Council
Civic Centre
Fareham

By email only

Dear Peter,

**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 on behalf of Hallam Land Management Limited (Hallam) who control the substantial part of the above allocation.

Background

In April 2023, Hallam submitted representations to the previous consultation concerning the CIL Charging Schedule amendments. The effect of those amendments was to increase the charge to £195 per square metre for C3 housing at HA55.

At that time, as highlighted in those representations, the Three Dragons Viability Assessment did not consider the proposed allocation at HA55; that study wrongly assumed that the largest allocation was that at Downend Road for some 550 dwellings. That was a significant error.

Attempts by the LPA to argue that RF14 was comparable to HA55 simply wasn't credible when the underlying assumptions were examined in the face of the costs which the live planning application was needing to consider.

Hallam was represented at the Hearing on the 6th September 2023 by LRM Planning and Terence O'Rourke and responded to questions posed by the Examiner during that session.

Having considered the written and oral submissions, the Examiner recommended in his Report (dated 26th October 2023) that HA55 is zero rated. Persuaded by the representations submitted on behalf of Hallam, and alighting upon the LPAs proposition that any ensuing viability issue would be dealt with in the context of a planning application, the Examiner identified the risk to the delivery of affordable housing in this situation. This recommendation reflecting the representations made by Hallam.

Pausing here, you will be aware that meeting the growing housing need in the Borough is implicit in the Council's vision and strategic priorities in the Local Plan. Paragraph 5.28 of the

Local Plan states: “One of the key issues facing residents in the Borough is the unaffordability of homes to rent or to buy. Paragraph 5.29 states “the delivery of new affordable housing is a vital part of the overall housing delivering in the Borough”. I would imagine that the risk that the Examiner identified is one that is particularly uncomfortable in this context.

Nevertheless, the Council is opposed to accepting this recommendation hence the current further consultation. This is in part because it relies upon monies from HA55 to fund infrastructure as is evident from page 7 of your letter.

Recognising that no assessment of HA55 was in fact conducted by Three Dragons on its behalf, the Council commissioned that further work in November 2023. Because of this a further revision to the charging schedule is now proposed reducing the applicable CIL charge to £166 per square metre for C3 housing. We are of course mindful that this is a very similar figure to that which would be levied on HA55 in the event the current amendments to the charging schedule were abandoned. Consequently, the submission made previously and herein apply in any event and in equal measure in this forum or in relation to the current planning application.

It is striking that this additional work underlines that the earlier proposal did pose a risk to the delivery of HA55, substantiating the views of Hallam and the Examiner. The 2023 Viability Report, prepared in light of further site-specific work, acknowledges that the required buffer would be much reduced if the original figure was retained.

On this occasion, the Three Dragons work has considered in greater detail HA55 specifically. Because of the Local Plan’s policy requirements, which are unique and materially different to other allocations, the earlier typology approach plainly isn’t appropriate in this context.

Whilst the Council suggest that HA55 is not a strategic site equivalent to Welbourne it is plainly different from other allocations on account of the policy expectations and infrastructure requirements.

It is disappointing that the Council chose to instruct Three Dragons without any engagement with Hallam. As a consequence, the additional assessment work still does not properly and fully consider the characteristics of HA55, and this goes to the heart of the matter between Hallam and the Council. This is explored in the following paragraphs.

Key Issues

Whilst the viability of a scheme can be tested at various stages in the process, a full viability can only be completed once there is a fixed scheme. We are not yet at that stage with amendments to P/20/0646/OA currently the subject of further consultation.

Assuming the scheme does not change significantly post consultation, the most significant pieces of information which remain outstanding are Section 106 costs, utility costs – supply and diversions, and Abnormal Costs.

Notwithstanding, at each stage in the process it is possible to make an assessment of viability and that is precisely what the Inspector did at the CIL Examination and at that point in the process, he came to a reasoned judgement based on the information that was available – the evidence that he did have in front of him was sufficient to raise concerns over the viability of HA55 and draw his conclusions accordingly.

In order to undertake a credible “viability review” the inputs need to be specific to the proposal being tested. Hence the Three Dragons’ approach: “to supplement the viability assessment submitted for the examination” (para 1.4 of their report) is fundamentally flawed. It 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 within which HA55 is being developed; and, it relies on out of date information on costs. Consequently, the

Three Dragons report does not provide the credible detailed viability evidence to enable FBC to consider the implications for CIL on HA55 it commits to do at Para 1.10 of the report.

This is exacerbated by the failure of Three Dragons to undertake any consultation with Hallam and their technical team; relying on engagement through the Local Plan; planning application submissions; CIL consultation and Examination (as set out in para 1.15) does not meet the provisions of the National Planning Policy Guidance and Three Dragons have failed to take account of "*appropriate, available evidence* (para 007 Reference ID: 10-007-20190509). There has been no attempt to interrogate the specifics of the scheme.

It is wrong, therefore, to describe this report as providing "*detailed evidence taking into account site-specific requirements including the site-specific mitigation and S106 costs*" as described at paragraph 1.10. Indeed, this is acknowledged at paragraph 1.11 which states "*please note that costs are based on broad estimates taken from named sources Have not been subject to any consideration by quantity surveyors appointed by FBC* and confirms that the review has not been informed by any detailed cost plan.

Our response is informed by a detailed cost plan and the "broad estimates" used by Three Dragons are incorrect.

At paragraph 1.8, Three Dragons note that "*there was no concern expressed*" "*through representations or by the Local Plan Inspector*" at the Local Plan Examination and therefore draw the conclusion that "*effectively a CIL rate of £150/sqm was accepted*". This is not a logical conclusion for the reasons set out in *Annex 1*, noting that it is now two years since the Local Plan Examination.

In the following sections we comment on assumptions in the Three Dragons Report.

Assumptions

In terms of general assumptions, there are number of errors in Chapter 2 that have a material effect on the outcome of the exercise and underscore the susceptibility of the outcome. We would propose to explain these at the point that we meet following submission of these representations; an account of this is set out in *Annex 2* but this is not an exhaustive list.

Sales Values and Revenue

Hallam has instructed advice from **Maclaren Clark Consultancy**, in respect of open market sales values and revenues. Values are one part of the viability calculation.

It has done so on account of the fact that information which Three Dragons has relied upon in its HA55 specific assessment is materially different to the housing output expected by the Local Plan as evidenced by the *Masterplanning Principles Document*. It is not at all obvious how Three Dragons have applied its mind to this.

The Maclaren Clark work illustrates that the Three Dragons value and revenue estimates are derived from higher value areas in the Borough and different housing products despite it being suggested it is Borough wide assessment. Maclaren Clark provide comparative examples that are better suited to considering likely values in the instance of HA55.

The Council ought not to quarrel with this point being put at this time. The Three Dragons work purports to have a greater degree of site and scheme specificity, but plainly relies on high level and generic information. Whilst the high level and generic information was sufficient for the typological approach pursued previously if the intention is to be more specific in this exercise it needs to be faithful to that objective on all counts.

Development Costs

Brookbanks Consulting advise Hallam on development costs nationwide. They have advised Hallam on various engineering aspects of HA55 over a period of time and have built the cost plan. It is important to recognise that the scheme is still to be fixed in a final form sufficient to determine a precise cost plan. Agreement on the required revisions to the land use parameter plan was only received late in 2023 and those amended drawings are currently the subject of consultation. It remains the case that aspects of the scheme could change. Brookbanks have nevertheless compared the development costs set out in Table 2.5 of the Three Dragons report with its own cost plan and the following is apparent from that exercise:

Build costs and Abnormal Costs

At the outset, there appears to be no regard to the requirements of the *Masterplanning Principles Document* and the associated quality aspects of the proposed development, evident from the precedents contained therein and the later Design and Access Statement. It isn't apparent that Three Dragons have in fact considered this material whatsoever in order to contemplate the type and form of the proposed development. Rather, its costs are derived from standard housebuilder products which are of a very different nature. For example, Hallam's cost consultants estimate that those elements alone add circa £9m to the build cost.

Further examples are listed in Annex 2.

All of the above are in addition to the fact the Q2 2002 build costs are grossly out of date at the present time. Whilst build costs might reduce over the period of the project, equally they might not and that higher costs are now normal for the foreseeable future. To ensure that the delivery of HA55 is not prejudiced, those higher build costs should be the starting point.

Other development costs

These are matter that are covered in the accompanying **Turner Morum** Report.

Infrastructure costs

The sums listed under this heading are not sufficient to take account of:

(a) earth works across the site and the need for land raising to allow for the installation of drainage infrastructure: and

(b) costs associated with service diversions both within the site and in association with the offsite highway pedestrian and cycle improvements.

In respect of the latter point, the applicant is presently negotiating with Southern Water as to whether it will be required to divert the existing strategic sewer situated to the south of Longfield Avenue; is currently in negotiations with SSE in relation to the diversion of the overhead power lines and has C4s pending for diversions associated with the highways works (site access and offsite improvements). Provisional sums should be included in the assessment for all these works. Moreover, whilst the extent of off-site improvements is shown on the drawings in the Transport Assessment Addendum submitted in December 2023; these are schemes that have been discussed between the applicant, the Local Planning Authority and the Highway Authority for a considerable period of time prior to this, since at least April 2023. The extent of works and associated costs do not appear to have been accounted for.

Local policy costs

Markides Associates, who advice Hallam and transportation matters have costed the off-site highway improvements referred to in the preceding paragraph as exceeding £10.6 million (potential Section 106 and Section 278 costs). This is greater than the figure included in the

sensitivity allowance and should be the base assumption. The design for the area of environmental mitigation west of Peak Lane as set out in the Habitat Creation and Open Space document has been costed at £3.1million, a tenfold increase to that assumed presently.

Viability

Hallam has also instructed advice from **Turner Morum**, to prepare an alternative viability exercise drawing upon this site and scheme specific information.

In doing so, it has again identified where the high level and generic assumptions employed by Three Dragons are not fit for purpose. In this regard it justifies why a different approach is necessary in relation to key inputs to the assessment process. It also takes into account the cost planning work undertaken by Brookbanks. Its holistic approach is to be preferred to that of Three Dragons.

Its report exhibits that the headroom for CIL is predicated upon various input allowances that are neither justified nor appropriate. In this regard, Three Dragons has:

- firstly, significantly over-stated revenues (for the market, affordable and custom build housing);
- secondly, made an insufficient allowance for developer profit given the risk involved in this instance;
- thirdly, has assumed grossly insufficient build and infrastructure costs;
- fourthly, underestimated the whole site benchmark land value contrary to previous assumptions; and
- fifthly, has adopted a flawed approach to calculating the scheme finance costs.

Again, the Council ought not to quarrel with these points being put at the present time in response to the site and scheme specific exercise it commissioned, which of necessity is materially different to assumptions that might be appropriate to the generic typological approach.

In combination, these inputs result in a significantly over-stated projection of the scheme's viability position. Turner Morum's conclusion is striking; once corrected, **"not only would the headroom for CIL" be eroded, but the scheme would be significantly in deficit"**. This is the outcome that the Examiner wished to avoid and recommended accordingly, prescient of the submissions that may need to be made in relation to planning application with the current CIL levy.

Conclusion

In response to the Council's further attempt to justify levying CIL at HA55, Hallam has compiled evidence that draws into question the assessment work undertaken on its behalf by Three Dragons. No such work had previously been commissioned by the Council.

It has critically and objectively considered the inputs to the viability assessment conducted in relation to HA55. It has found that the Three Dragons assessment, despite needing to be as site and scheme specific as possible, because of the materially different nature of the allocation and intended development outcomes, has used a number of generic or high level or out of date inputs that are wrongly conceived.

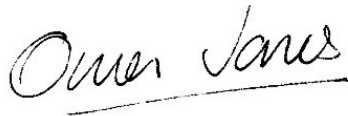
On the one hand, it has relied upon sales values and revenues that are not comparable to HA55 and consequently overestimated the gross development value.

On the other hand, it has downplayed development costs failing to recognise the large-scale nature of the proposal not just in terms of units, but its other component parts and costs. Equally, because the Council choose not to engage with Hallam, Three Dragons through no fault of their own simply are not aware of other abnormal costs that are having to be accommodated.

For these reasons Hallam maintain that HA55 should be zero rated.

We have discussed that, following submission of these representations, it would be in both party's interest to convene a meeting to discuss these matters. I look forward to hearing from you in due course.

Yours sincerely

A handwritten signature in black ink that reads "Owen Jones". The signature is written in a cursive style and is underlined with a single horizontal line.

Owen Jones
LRM Planning Limited

Encl:
Reports by Maclaren Clark Consultancy and Turner Morum

Annex 1: Further information which impacts on viability and was not available at the time of the Local Plan Examination

- a. There is significantly more detail available on the scheme in terms of:
 - i. Section 106 / Section 278 costs
 - ii. The Habitat Creation Scheme – Three Dragons only account for the costs of Drier Grassland (15.5ha @ £1.11 sqm) however by reviewing the relevant report it is clear that there is significantly more involved in the creation of that scheme than simply planting an area of grassland.
 - iii. Sustainable travel and highways interventions
 - iv. The requirements of Natural England
 - v. Abnormal costs
- b. Despite the Highways Authority presenting evidence at the Examination that the focus of this scheme would be the delivery of sustainable travel it is clear now that the Highways Authority are expecting both sustainable travel AND contributions toward traditional highways interventions;
- c. The package pedestrian / cycle links are far more extensive than anticipated in Policy HA55 subsection f;
- d. Three Dragons assume that the sports pitch requirement will be a site only – there is no documented evidence that FBC agree with this approach;
- e. Natural England have failed to accept that the Green Infrastructure is a reasonable alternative to recreation on the New Forest and Solent SPAs as recognised in Policy HA55 subsection g;
- f. FBC have failed to accept that Appendix D is “indicative” (Para 138 of the Inspector’s Report) and therefore there has been no flexibility in the subsequent design of the scheme;
- g. Costs have increased: examples include the costs of maintenance of the GI brought about by the introduction of a new SPG; costs of the healthcare contribution; the application of a further two years of indexation on costs (Three Dragons only index to 2Q 2022); and build costs;
- h. The housing market and economic climate are in a very different place.

Annex 2: Three Dragons Assumptions

- a. The assessment undertaken is based on an old scheme pre the 2022 amendments. Further amendments have been discussed with the Council since April 2023.
- b. The reference to 8.3 ha of land south of Stroud Green is an error; the area of land allocated as HA55 does not extend south of Stubbington Bypass.
- c. Assumptions regarding storey heights across the development does not reflect the Masterplanning Principles Document.
- d. Whilst an allowance is made for servicing the care home and local centre, no equivalent allowance is made for either the primary school and sports hub.
- e. Infrastructure costs are based on index linked costs from a number of years ago.

- f. Other sections 105 costs do not reflect consultation responses available at the time of the exercise;
- g. No account has been taken of abnormalities such as earthworks; utility costs – services and diversions; the Building Safety Levy or Elevational Uplifts;
- h. Sprinkler costs have only been applied to the local centre flats. The Masterplanning Principles Document intends that there are 255 flats across the scheme as a whole and a disproportionate number of those will be on the application site.
- i. Electric vehicle charging will be required in the local centre, the school site and the sports hub; the servicing costs increase accordingly.
- j. Three Dragons base all of their assessments on assumptions that the capacity of HA55 is split 1200 on the application site and 50 dwellings on the balance. The application is for “**up to**” 1200 units and the final capacity will not be determined until the parameters plan is fixed and proving layouts are produced.
- k. Whilst the allocation extends across the Seale/Williams land, the character areas attribute the greatest proportion of the 255 flats to the Hallam land.
- l. Three Dragons base all of their assumptions on the 50 dwellings on the Seale/Williams land making a proportionate share of the transport costs; the GI costs; the bird mitigation costs etc, – that is simply incorrect. Fixed costs associated with the scheme mitigation will be borne only by Hallam.

By virtue of paragraph(s) 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

FAREHAM

BOROUGH COUNCIL

Report to Council

09 April 2024

Subject: **ANNUAL REVIEW OF THE AUDIT AND GOVERNANCE COMMITTEE**

Report of: **Assistant Director (Finance & ICT)**

SUMMARY

This report seeks to provide Council with an opportunity to review the activity of the Audit and Governance Committee during this municipal year.

The purpose of the review is to summarise the work carried out by the Committee against its functions as set out in the Constitution and to provide evidence that the Committee has carried out its role effectively.

RECOMMENDATION

It is recommended that the Council receives and endorses the Annual Review of the Audit and Governance Committee.

INTRODUCTION

1. The Audit and Governance Committee is a key component of Fareham Borough Council's corporate governance framework. It provides an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role gives greater confidence to those charged with governance that those arrangements are effective.
2. This annual report aims to summarise how the Audit and Governance Committee has performed its functions during 2023/24.

COMMITTEE CONSTITUTION

3. The Audit and Governance Committee is made up of seven elected Members, appointed at Annual Council in May 2023. All four of the scheduled meetings for the 2023/24 municipal year were held in person at the Civic Offices in Fareham and were all quorate.
4. Members were supported at each meeting by relevant Officers, including the Council's Monitoring Officer and Section 151 Officer and where appropriate the external auditors Ernst and Young LLP attended to present their findings.

DELIVERY OF WORK PROGRAMME

5. The Committees work programme for 2023/24 was agreed by Council on the 20 April 2023. At each meeting changes to the original work programme were reported to the Committee via the Monitoring Officer report, which is a standard agenda item at each meeting.
6. Appendix A provides details of those items brought to the Committee in this municipal year and also provides details of which items will be considered in 2024/25.
7. The work programme for 2023/24 was delivered with the exception of:
 - i. Anti-Bribery Policy Update (now to come in November 2024)
 - ii. Internal Audit Strategy Update (delayed giving the new Chief Internal Auditor time to consider)
 - iii. External Audit Results Report (awaiting national consultation on approach for 2022/23 audit)

No additional items were delivered as part of the work programme in this municipal year.

COMMITTEE REQUESTS

8. There were two occasions when Officers were requested to gather a more comprehensive response for Members outside of the meetings to widen assurances in these areas as follows:
 - i. Members enquired about the Pension Liability Statement within the Audit Report asking if they are able to gain better viability and understanding of the Hampshire Pension Scheme (September 2023)
 - ii. Members asked for more information pertaining to the Council's cyber liability

insurance cover (November 2023)

The information requested by members was delivered in the year.

COVERAGE OF FUNCTIONS

9. The Audit and Governance Committee functions are set in the Councils Constitution in Part Two – Chapter 8 of the Council's Constitution. Appendix A summarises the Committees functions and provides details of the reports brought to the Committee within each function area.
10. The Committee functions are reviewed every three years and aims to align with the latest national guidelines.
11. Appendix A also includes information on the frequency of reporting of each item aiming to provide the Committee with an oversight of how it has performed against the functions. Reporting frequency can be governed by legislation, CIPFA guidelines and/or the Council's Constitution.
12. The frequency of reporting and the last time that an item was covered by the Committee are viewed by Officers annually when creating the Committee Work Programme.

TRAINING

13. At the 24 September 2023 meeting of the Audit and Governance Committee, Members requested further information to explain the Hampshire Pension Scheme following discussions about the Pension Liability Statement contained within the External Audit – Annual Report.
14. Officers suggested a training session on the Pension Fund which was held on the 27 November 2023 with five Members of the Committee in attendance. The training was carried out by the Finance Manager and Members reported that they found the session to be very useful and informative.
15. In addition to the training highlighted above, the Chairman of the Committee completed the following training in this municipal year:
 - LGA Leadership Essentials Financial Governance (P3)
 - LGA Leadership Essentials - Audit Committees (P9)
 - CIPFA Update for Local Authority Audit Committee members

COMPLIANCE

16. The Committee continued to operate this year in accordance with best practice as detailed in the Chartered Institute of Public Finance and Accountancy (CIPFA) publication "Audit Committees – Practical Guidance for Local Authorities" (2018)

A review has yet to be completed against the 2022 guidance.

CHAIRMAN'S STATEMENT

17. I am pleased to be able to present a summary of the work carried out by Committee in 2023/24.
18. The Committee continued to operate in accordance with the 2018 guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA). All meetings planned went ahead and were quorate.
19. The Committees work programme for 2023/24 was agreed by Council on the 20 April 2023 and has been delivered across the year with the exception of three items which were delayed due to legitimate reasons.
20. There has been good coverage of the subjects making up the functions of the Committee and members have asked pertinent questions requesting additional assurances on two topics. One of these related to a request for training on the Hampshire Pension Fund which was delivered in November 2023.
21. I have also undertaken significant training this year in relation to the role of the Audit and Governance Committee. As a result of that training and following a review of the year's performance with officers, I would like to propose a number of actions for delivery over the next two years. I believe this will strengthen the operation of the Committee even further.

Actions:

| Proposed Action | Who |
|---|--|
| <p>One to Ones with Committee members</p> <p>Meet with each member of the Committee individually to understand their key skills and to generate ideas on how the work of the Committee could be strengthened.</p> | Chairman of the Audit and Governance Committee |
| <p>One to One with Chief Internal Auditor</p> <p>Chairman of the Committee to have a one-to-one meeting with the Chief Internal Auditor without other officers present.</p> | Chairman of the Audit and Governance Committee |
| <p>One to One with External Audit Manager</p> <p>Chairman of the Committee to have a one-to-one meeting with the External Audit Manager without other officers present.</p> | Chairman of the Audit and Governance Committee |
| <p>Pre-Meeting Summary for Members</p> <p>Introduce a summary to be sent to the committee members before the Committee, giving an overview of the topics on the agenda and anything discussed in more detail at the chairman's briefing.</p> | Chairman of the Audit and Governance Committee |
| <p>Review of Latest Guidance</p> <p>Complete an updated assessment against the latest CIPFA Guidance: Audit Committees: practical guidance for local authorities and police (October 2022)</p> | Internal Audit Team |
| <p>Independent Person</p> <p>Review the requirements for an independent person and consider a</p> | Committee Officer |

| Proposed Action | Who |
|--|--------------------------------------|
| future role on the Committee | |
| Overview of the Committee (Training) Deliver an annual overview of the purpose and workings of the Audit and Governance Committee to all Committee members before the July meetings. | Assistant Director (Finance and ICT) |
| Finance Briefings (Training) Arrange a series of briefings for the Chairman on how the Council's financial processes operate | Assistant Director (Finance and ICT) |

RISK ASSESSMENT

22. There are no significant risk considerations in relation to this report.

CONCLUSION

23. Members are asked to receive the contents of this report and endorse the Annual Review of the Audit and Governance Committee.

Appendices: Appendix A - Committee Functions and Report Coverage

Background Papers: None

Reference Papers: The Council's Constitution
 Minutes and reports to the Audit and Governance Committee for the Municipal Year 2023/4
 CIPFA Publication – Audit Committees – Practical Guidance for Local Authorities and Police (2018)

Contact: For further information please contact Elaine Hammell (Tel: 01329 824344)

Audit and Governance Committee Functions and Report Coverage

| | | Frequency | Last Covered | Covered in 2023/24 | Scheduled for 2024/25 |
|--|---|---------------|--------------------------------|--------------------|-----------------------|
| OVERALL PURPOSE AND ACCOUNTABILITY | | | | | |
| Review of the Audit and Governance Committee | | Annually | 2022-23 | Partly | YES |
| Monitoring Officer (MO) Report - to include Review of Work Programme | | Every Meeting | n/a | YES | YES |
| Review of the Functions of the Committee – included in MO Report ** | | 3 yearly | 2022-23 | | |
| GOVERNANCE, RISK AND CONTROL | | | | | |
| Corporate Governance & AGS | Local Code of Corporate Governance | As needed | 2016-17 | | YES** |
| | Annual Governance Statement | Annual | n/a | YES | YES |
| Risk Management | Policy | As needed | 2016-17 | | |
| | Risk Management Monitoring Reports | 6 monthly | n/a | YES | YES |
| | Business Continuity – Included in Risk Management Report ** | 3 yearly | 2022-23 | | |
| | Specific Risk Management topics | As needed | 2019-20 (cyber security risks) | | |
| Value for Money | Specific VFM studies | As needed | None | | |
| Counter Fraud | Counter Fraud Policy and Strategy | 3 yearly | 2023-24 | YES** | |
| | Anti-Bribery Policy** | As needed | 2011-12 | | YES** |
| | Sanctions and Redress Policy | As needed | 2016-17 | | |
| | Counter Fraud Annual Report | Annual | n/a | YES | YES |
| Partnerships | Partnership Governance Report – Included in the Chief Internal Auditors Opinion Report ** | Annual | n/a | YES** | YES** |
| AUDIT | | | | | |
| Internal Audit | Internal Audit Strategy Included in Chief Internal Auditors Quarterly Report ** | 3 yearly | 2018-19 | | YES** |

| | | Frequency | Last Covered | Covered in 2023/24 | Scheduled for 2024/25 |
|---|--|-----------|----------------|--------------------|-----------------------|
| | Annual Internal Audit Plan – Included in Chief Internal Auditors Quarterly Report ** | Annual | n/a | YES** | YES** |
| | Chief Internal Auditors Quarterly Report | Quarterly | n/a | YES | YES |
| | Chief Internal Auditor’s Annual Opinion | Annual | n/a | YES | YES |
| External Audit | Arrangements for Appointment of External Auditors | As needed | 2023-24 | YES | |
| | Annual Plan and Fee | Annual | n/a | YES | YES |
| | Annual Auditor’s Report and VFM commentary | Annual | n/a | YES | YES |
| | Annual Certification Report | Annual | n/a | YES | YES |
| | Specific reports from inspection agencies | As needed | 2021-22 (RIPA) | | |
| FINANCIAL REPORTING | | | | | |
| Statement of Accounts | | Annual | n/a | YES | YES |
| External Audit – Audit Results Report | | Annual | n/a | | YES |
| WIDER FUNCTIONS OF THE COMMITTEE | | | | | |
| Standards and Ethics | Review of Code of Conduct for Members | As needed | 2015-16 | | |
| | Review of member / officer protocol | As needed | 2008-09 | | |
| | Annual Ombudsman Reports and Overview of Complaints against members– Included in MO Report | Annual | n/a | YES** | YES** |
| | Review of Members Training and Development Programme – Included in MO Report | Annual | n/a | YES | YES** |
| Treasury Management | Treasury Management Strategy and Indicators | Annual | n/a | YES | YES |
| Key Policy Review | Annual Review of the Constitution – Included in MO Report** | Annual | n/a | YES** | YES** |
| | Review of Financial Regulations – included in MO Report** | 3 yearly | 2022-23 | | YES** |
| | Review of Procurement and Contract Procedure Rules | 3 yearly | 2021-22 | | YES |
| | Prevention of the Facilitation of Tax Evasion | As needed | 2021-22 | | |
| Other Matters referred to the Committee | Updates on legal issues | As needed | 2017-18 | | |
| | Issues referred by the Chief Executive Officer, Directors and Other Council Bodies | As needed | None | | |

FAREHAM

BOROUGH COUNCIL

Report to Council

09 April 2024

Subject: **COMMITTEE WORK PROGRAMMES 2024/25**

Report of: **Assistant Director (Democracy)**

SUMMARY

This report sets out the proposed Work Programmes for the Council's Committee Meetings for 2024/25

RECOMMENDATION

It is recommended that the Council receives and endorses the proposed Work Programmes for all the Committee meetings scheduled for the next municipal year, as set out in Appendices A & B to this report.

INTRODUCTION

1. Each Committee, at its March meeting, prepares and agrees a programme of work for the following municipal year.
2. Following the Vanguard changes to the Policy Development and Review Panels, the Scrutiny Panels now manage their own work priorities. However, it is still the responsibility of the Council to endorse all Committee work programmes for the forthcoming municipal year. These are therefore set out at Appendix A and Appendix B for the Council to review and endorse.

RISK ASSESSMENT

3. There are no significant risk considerations in relation to this report.

CONCLUSION

4. The Council is asked to receive and endorse the proposed Work Programmes for all Committee meetings for the next municipal year, as set out in Appendices A & B to this report.

Appendices:

Appendix A: Licensing & Regulatory Affairs Committee Work Programme 2024/25

Appendix B: Audit & Governance Committee Work Programme 2024/25

Background Papers: None

Reference Papers: None

Contact: For further information please contact Leigh Usher (01329 824553)

APPENDIX A

LICENSING AND REGULATORY AFFAIRS COMMITTEE – DRAFT WORK PROGRAMME 2024/25

| Meeting Date | Subject |
|--------------------------|---|
| 10 June 2024 | Presentation on the Role and Responsibilities of the Licensing & Regulatory Affairs Committee |
| 22 July 2024 | Review of current Work Programme Parliamentary Polling Districts & Polling Places: Consultation Responses and Proposals. |
| September 2024 | Licensing Training |
| 24 September 2024 | Review of current Work Programme |
| 26 November 2024 | Review of current Work Programme |
| 28 January 2025 | Actual Revenue Expenditure 2023/24 Spending Plans 2025/26 Fees and Charges 2025/26 Preliminary Review of current Work Programme and Draft Work Programme 2025/26 |
| 11 March 2025 | Update on Fareham & Gosport Environmental Health Partnership – Presentation Final Review of current Work Programme and Draft Work Programme 2025/26 |

UNALLOCATED

- Update on Police Licensing Matters

AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME – 2024/25

| Meeting Date | Report Title |
|------------------------------|--|
| 24 July 2024 | Monitoring Officer Report – to include Review of Financial Regulations |
| | Annual Governance Statement |
| | Counter Fraud Annual Report |
| | Chief Internal Auditors Quarterly Report |
| | Chief Internal Auditors Annual Opinion - – to include Partnership Governance |
| | Statement of Accounts |
| 23 September 2024 | Monitoring Officer Report - To include Annual Ombudsman Reports and Overview of Complaints against members and Anti Bribery Policy |
| | Risk Management Monitoring Report |
| | Chief Internal Auditors Quarterly Report |
| | External Auditors - Audit Results Report |
| | Review of Procurement and Contract Procedure Rules |
| 25 November 2024 | Monitoring Officer Report - to include Review of Financial Regulations and Local Code of Corporate Governance |
| | Chief Internal Auditors Quarterly Report |
| | Treasury Management Strategy Implementation |
| 10 March 2025 | Monitoring Officer Report – to include Review of Members Training and Development and Annual Review of the Constitution |
| | Chief Internal Auditors Quarterly Report – to include Internal Audit Annual Plan & Internal Audit Strategy |
| | Annual Review of the Committee |
| | Risk Management Monitoring Report |
| | External Audit – Certification Report |
| | Treasury Management Policy and Indicators |
| | External Audit – Annual Report and VFM Commentary |
| | External Audit – Plan and Fee |

