

APPENDIX 2:

FAREHAM BOROUGH COUNCIL'S RESPONSE TO THE GOVERNMENT'S (MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT) CONSULTATION ON 'REFORMING DEVELOPER CONTRIBUTIONS TO AFFORDABLE HOUSING AND INFRASTRUCTURE' (MARCH 2018).

Evidence on the need to fund infrastructure

Question 1

Do you agree with the Government's proposals to set out that:

- i. Evidence of local infrastructure need for CIL-setting purposes can be the same infrastructure planning and viability evidence produced for plan making? **Yes/No***
- ii. Evidence of a funding gap significantly greater than anticipated CIL income is likely to be sufficient as evidence of infrastructure need? **Yes/No***
- iii. Where charging authorities consider there may have been significant changes in market conditions since evidence was produced, it may be appropriate for charging authorities to take a pragmatic approach to supplementing this information as part of setting CIL – for instance, assessing recent economic and development trends and working with developers (e.g. through local development forums), rather than procuring new and costly evidence? **Yes/No***

This Council answers "Yes" to all three parts of question 1.

Question 2

Are there any factors that the Government should take into account when implementing proposals to align the evidence for CIL charging schedules and plan making?

Fareham Borough Council has no further comment to make for question 2.

Ensuring that Consultation is proportionate

Question 3

*Do you agree with the Government's proposal to replace the current statutory consultation requirements with a requirement on the charging authority to publish a statement on how it has sought an appropriate level of engagement? **Yes/No***

Question 4

Do you have views on how guidance can ensure that consultation is proportionate to the scale of any charge being introduced or amended?

Fareham Borough Council broadly supports the proposed changes such that it is suggested to answer “yes” to question 3 and make no further comment to question 4.

Removing unnecessary barriers: the pooling restriction

Question 5

Do you agree with the Government’s proposal to allow local authorities to pool section 106 planning obligations:

- i. Where it would not be feasible for the authority to adopt CIL in addition to securing the necessary developer contributions through section 106? **Yes/No***
- ii. Where significant development is planned on several large strategic sites? **Yes/No***

Part i) of Question 5 is not directly relevant to Fareham given that it relates to Authorities where it is not feasible to adopt CIL and Fareham is already a CIL charging authority.

Assuming that the pooling restriction would be lifted in any event as Fareham is an Authority with an adopted CIL charging schedule Fareham Borough Council would answer “yes” to part ii) of question 5.

Question 6

- i. Do you agree that, if the pooling restriction is to be lifted where it would not be feasible for the authority to adopt CIL in addition to securing the necessary developer contributions through section 106, this should be measures based on the tenth percentile of average new build house prices? **Yes/No***
- ii. What comments, if any, do you have on how the restriction is lifted in areas where CIL is not feasible, or in national parks?*

Question 6 is not relevant to Fareham Borough and no answer to this question is therefore necessary.

Question 7

Do you believe that, if lifting the pooling restriction where significant development is planned on several large strategic sites, this should be based on either:

- i. *a set percentage of homes, set out in a plan, are being delivered through a limited number of strategic sites; or*
- ii. *all planning obligations from a strategic site count as one planning obligation?*

Within the Borough there is a local plan commitment to deliver a new community of up to 6,000 homes which associated community facilities, designed to Garden Village principles. The current restrictions on 'pooling' will make it challenging in drafting planning obligations, if multiple planning applications are submitted at Welborne following the approval of any outline planning application. For Welborne the approach at bullet point ii would be appropriate.

Housing delivery throughout the remainder of the Borough is based around a number of smaller sites. Some sites are quite separate and distinct whilst in other areas there are a number of sites in very close proximity which form a 'cluster'. Collectively these smaller sites will create a demand for enhanced infrastructure within the locality. This Council has recommended below how the issue of defining 'strategic sites' may be tackled.

Question 8

- i. *What factors should the Government take into account when defining 'strategic sites' for the purposes of lifting the pooling restriction?*

Fareham Borough Council suggests the following to be included in the definition of Strategic Sites:

- the need to take into account "cluster sites" and the cumulative effect they have on housing delivery;
- draft, emerging and adopted allocations should benefit from the definition; and
- sites of more than 50 residential units

Question 9

- i. *What further comments, if any, do you have on how pooling restrictions should be lifted?*

In some parts of the Borough there is acute pressure on school places. Contributions towards enhancement/ expansion programmes at schools serving new housing is secured through planning obligations. The pressure on school places often arises through the incremental cumulative effects of more modest sized sites (e.g. sites delivering 50-150 dwellings) focussed close together. In addition, the cumulative effects of several development sites can lead to the need for the upgrading to highway junctions/ parts of the highway network. In light of this the Government is urged to lift the pooling restriction Borough wide for all authorities with an already adopted CIL charging regime.

A more proportionate approach to administering exemptions

Question 10

*Do you agree with the Government's proposal to introduce a 2-month grace period for developers to submit a Commencement Notice in relation to exempted development? **Yes/No***

It is considered that the grace period suggested seems eminently sensible and the Borough Council supports this approach.

Question 11

If introducing a grace period, what other factors, such as a small penalty for submitting a Commencement Notice during the grace period, should the Government take into account?

Fareham Borough Council has no comment to make on this specific question.

Question 12

How else can the Government seek to take a more proportionate approach to administering exemptions?

It is considered that it would be helpful if the CIL Regulations could be amended to provide Local Planning Authorities further discretion in all types of CIL development when certain milestones in the development that require the submission of details approach and pass. This would ensure that the development is not held up unnecessarily and that the necessary information is still submitted in accordance with the Regulations.

Extending abatement provisions to phased planning permissions secured before introduction of CIL

This part of the Consultation sets out the mechanisms for sites that benefit from a planning permission pre-CIL and then seek a variation to that permission post adoption of CIL.

There are no such circumstances in Fareham such that this part of the consultation is not relevant and needs no response.

Fareham Borough Council has no comment to make on Questions 13, 14 & 15.

Calculating liabilities on individual sites

Question 16

*Do you agree with the Government's proposal to allow local authorities to set differential CIL rates based on the existing use of land? **Yes/No***

Yes

Question 17

If implementing this proposal do you agree that the Government should:

- i. *encourage authorities to set a single CIL rate for strategic sites?*
Yes/No
- ii. *for sites with multiple existing uses, set out that CIL liabilities should be calculated on the basis of the majority existing use for small sites?*
Yes/No
- iii. *set out that, for other sites, CIL liabilities should be calculated on the basis of the majority existing use where 80% or more of the site is in a single existing use?* **Yes/No**
- iv. *What comments, if any, do you have on using a threshold of 80% or more of a site being in a single existing use, to determine where CIL liabilities should be calculated on the basis of the majority existing use?*

For parts i)-iii) the answer to the questions is “yes”. No further comment is proposed for part iv) of the question.

Question 18

What further comments, if any, do you have on how CIL should operate on sites with multiple existing uses, including the avoidance of gaming?

The only comment suggested is that the CIL Review identified that the process was unnecessary complex. As such any changes should seek to ensure that the implementation of this provision keeps CIL as simple as possible.

Indexing CIL rates to house prices

Question 19

Do you have a preference between CIL rates for residential development being indexed to either:

- a) *The change in seasonally adjusted regional house price indexation on a monthly or quarterly basis; or*
- b) *The change in local authority-level house price indexation on an annual basis*

The response to Question 19 is b) and to just update the HPI annually based on a local level.

Question 20

*Do you agree with the Government's proposal to index CIL to a different metric for non-residential development? **Yes/No***

Yes

Question 21

If yes, do you believe that indexation for non-residential development should be based on:

- i. the Consumer Prices Index? **Yes/No***
- ii. a combined proportion of the House Price Index and Consumer Prices Index? **Yes/No***

Fareham Borough Council responds "yes" to part i) of the question and "No" to part ii).

Question 22

What alternative regularly updated, robust, nationally applied and publicly available data could be used to index CIL for non-residential development?

Question 23

Do you have any further comments on how the way in which CIL is indexed can be made more market responsive?

Fareham Borough Council has no comment to make on Questions 22 and 23.

Improving transparency and increasing accountability

Question 24

Do you agree with the Government's proposal to:

- i. remove the restrictions in regulation 123, and regulation 123 lists? **Yes/No***
- ii. introduce a requirement for local authorities to provide an annual Infrastructure Funding Statement? **Yes/No***

The Borough Council responds "yes" to both parts of question 24.

Question 25

What details should the Government require or encourage Infrastructure Funding Statements to include?

The Planning Practice Guidance should indicate what is expected to be within the Infrastructure Funding Statements rather than being prescriptive. This will allow for the relevant authority to demonstrate some flexibility in how the information is presented whilst also meeting the expected levels of information within the Statement itself.

Question 26

What views do you have on whether local planning authorities may need to seek a sum as part of section 106 planning obligations for monitoring planning obligations? Any views on potential impacts would also be welcomed.

The CIL Regulations presently allow this Council to use up to 5% of its CIL receipts on the administration of CIL within the Borough. There is currently no similar provision for planning obligations.

The Borough Council supports the ability to seek a contribution for monitoring Section 106 planning obligations. There is often the need for the submission of and approval of details pursuant to planning obligations and some of these details may require attendance at meetings and site inspections. The submission of these details and the monitoring of obligations do not attract a planning application fee. On large strategic sites, the level of engagement required by the Local Planning Authority Officers may be significant such that for there to be an obligation for a sum to be provided for Section 106 monitoring would be a positive step.

Furthermore, it could be a tool for both the Council and the Applicant to ensure that the development proceeds in the manner intended with the opportunity build relationships during construction to ensure any issues are addressed quickly and promptly.