

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 07 June 2021

Portfolio:	Planning and Development
Subject:	Approval of the Revised Charging Schedule for CIL
Report of:	Director of Planning and Regeneration
Corporate Priorities:	Providing Housing Choices Protect and Enhance the Environment Strong, Safe, Inclusive and Healthy Communities Maintain and Extend Prosperity Leisure Opportunities for Health and Fun Dynamic, Prudent and Progressive Council

Purpose:

To seek Executive recommendation that Council approves the Revised Community Infrastructure Levy Charging Schedule.

Executive summary:

Following a six-week consultation period during the summer of 2020, the Revised Community Infrastructure Levy Charging Schedule was submitted for independent examination in September 2020 in accordance with the Community Infrastructure Levy Regulations 2010 (as amended). The Revised Charging Schedule sets a rate of £0 per sq.m for the area of Welborne but makes no changes to the rates in relation to the rest of the Borough. The examiner's report was received in April 2021. It recommended that the Charging Schedule with the amendments made in the Statement of Modifications should be approved in its published form. The Council may only approve a charging schedule if it is recommended by the Examiner.

In order that the Levy may come into effect, the Revised Community Infrastructure Levy Charging Schedule must be approved by a resolution of the full council. The report seeks Executive recommendation that the Council approves the Community Infrastructure Levy Revised Charging Schedule which will take effect on 15th June 2021.

Recommendation:

It is recommended that the Executive recommends to Council that the Community Infrastructure Levy Charging Schedule, as set out in Appendix B to this report, and which will take effect on 15th June 2021, be approved.

Reason:

The Revised Community Infrastructure Levy Charging Schedule is considered to meet the requirements of the Community Infrastructure Levy Regulations 2010 (as amended) including setting an appropriate rate in relation to Regulation 14.

Cost of proposals:

The cost of preparing the Revised Charging Schedule for the Levy has been met from within existing budgets.

Appendices: **A:** The Examiners Report

B: The CIL Charging Schedule

Background papers: None

Reference papers: None

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	07 June 2021
Subject:	Approval of the Revised Charging Schedule for CIL
Briefing by:	Director of Planning and Regeneration
Portfolio:	Planning and Development

INTRODUCTION

1. The Community Infrastructure Levy (CIL) is a planning charge on 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 from April 2010, and the Council approved its CIL Charging Schedule in 2013.
2. 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).

PREPARATION OF THE REVISED CHARGING SCHEDULE

3. The review of the adopted charging schedule commenced in 2014 and was set to continue following adoption of the Welborne Plan, in June 2015. Following the adoption of the Welborne Plan, progress on the outline planning application proceeded. As part of the supporting material, the Welborne Infrastructure Delivery Plan showed how the site wide infrastructure costs and associated viability issues proved that the scheme would be less viable in view of the planning obligations secured to deliver the infrastructure if it remained CIL liable, and this was supported by viability evidence submitted by the applicant.
4. The Council commissioned CBRE, as part of the planning application process, to review that evidence on its behalf. CBRE concurred with the applicant's conclusion that the scheme cannot viably pay both CIL and £308m of site wide infrastructure costs. This was considered by the Council at Planning Committee, which resolved to grant planning permission in October 2019, subject to the Section 106 agreement being finalised. A revised planning application was considered by the Planning Committee in January 2021 on the back of a change in the funding package for Junction 10, and a further CBRE report on viability concurred with the Council's conclusions that the increased contribution from the applicant further supported the zero rating of the site. The Planning Committee resolved to grant planning permission for the revised application.
5. In progressing the review of the Charging Schedule, the Council also commissioned Three Dragons to undertake a review of the CIL rate for Welborne as part of the review

of the Charging Schedule. They concluded that with 10% affordable housing the viability of the development is marginal and with 30% affordable housing it is clearly unviable.

6. Under the CIL Regulations “*in setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between— (a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and (b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*”
7. A Revised Charging Schedule was therefore developed and following approval by this Executive, consulted upon for 6 weeks from 19 June to 31 July 2020. A total of 11 representations were made from organisations and individuals. The consultation was undertaken using electronic and written notifications which were sent to statutory consultees and every organisation and individual on the Council’s Planning Strategy consultation database.
8. Representations on the Statement of Modifications, which included minor modifications relating to the explanatory notes to the charging table, were invited between 24 August and 18 September 2020 albeit no further representations were submitted. No requests to be heard were received and therefore the examination proceeded solely by way of written representations.

EXAMINATION

9. The Revised Charging Schedule, together with the supporting evidence and representations, was submitted for independent examination in August 2020. The Examiner’s report was received on 4 May 2021 and a copy is attached at Appendix A. The Examiner has recommended that the Revised Charging Schedule with the amendments made in the Statement of Modifications should be approved, without any further changes.

THE CHARGING SCHEDULE

10. The Revised Charging Schedule is attached at Appendix B.
11. In summary, it is proposed to revise the existing CIL Charging Schedule by reducing the rate to £nil per sq.m. for all qualifying development within the area defined as Welborne Plan Part 3 of the Fareham Borough Local Plan. All other charging rates in the existing Charging Schedule would remain unaltered.

IMPLEMENTATION ARRANGEMENTS

12. Charges will be levied on new development at the rate set out in the charging schedule and become payable once development commences, or in accordance with the Council’s instalment policy. The Revised Charging Schedule must specify the date on which it takes effect and 15th June 2021 is recommended. Prior to this date, the Council must have published the Revised Charging Schedule in accordance with the CIL Regulations.

CONCLUSION

13. This report seeks a recommendation to full Council to approve the draft Revised Community Infrastructure Levy Charging Schedule, ‘zero rating’ the Welborne Local

Plan area on viability grounds. The existing residential charge will remain unchanged and continue to be applied across the borough for applicable developments.

14. It is recommended, for the reasons set out in the above paragraphs, that the Executive recommends to Council that the Revised Community Infrastructure Levy Charging Schedule be approved with the date of effect as 15th June 2021.

Enquiries:

For further information on this report please contact Gayle Wootton, Head of Planning Strategy and Economic Development. (Ext 4328)