

Report for Fareham Borough Council

## **HA55 Land South of Longfield Avenue**

Response to Hallam Land Management correspondence regarding Fareham Borough Council CIL consultation

**March 2024** 



| Document          | Document control sheet  |  |
|-------------------|---|--|
| Project name      | Fareham Borough Council   |  |
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| Report title      | Response to Hallam Land Management correspondence regarding Fareham           |  |
|                   | Borough Council CIL consultation  |  |
| Doc ref           | Report  |  |
| Date              | March 2024  |  |
| Quality           | In preparing this report, the authors have followed national and professional |  |
| statement         | 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.  |  |

## Chapter 1 Context

- 1.1 Three Dragons were originally commissioned to prepare viability evidence to support the Local Plan which was accepted and found sound. Further supporting evidence was also prepared to support review of the Fareham CIL, initially a partial review considering Welborne (also found acceptable) and a subsequent review considering all other development types and potential CIL rates for everywhere else outside of Welborne (mainly found acceptable). Three Dragons have since prepared separate viability evidence for a typology reflecting the requirements of Policy HA55 to support the Council's response to the latest CIL Examination Report
- **1.2** Three Dragons has an extensive record in plan and CIL viability and were involved from the early CIL adopters through to the present day, ranging from work for national park authorities through to large metropolitan areas such as Greater Manchester. The approach to plan and CIL viability testing is based on the national guidance, as updated as well as our extensive experience.
- **1.3** Fareham Borough Council have instructed Three Dragons to review the correspondence submitted by LRM on behalf of Hallam Land Management Limited (Hallam) regarding the recent CIL consultation. Table 2.1 in Chapter 2 sets out extracts from the LRM Planning response to the Council's intended amendment to the CIL charging schedule, regarding the HA55 allocation and the supporting Three Dragon's evidence. The approach taken is similar to that used at earlier stages of CIL or local plan consultation, in that the main points are identified and a response provided.
- **1.4** The response from Hallam contains limited comment or evidence regarding how the Council have addressed the main concern of the Examiner regarding the potential for higher site specific mitigation than had been allowed for within the typologies set out in the CIL evidence. There is instead a focus on assumptions around costs (other than the Section 106) and values that the Examiner had already considered as appropriate.
- 1.5 The two supporting documents provided as part of the LRM Planning response also focus on matters already accepted as an appropriate response by the Examiner. As these are also summarised within the LRM response, they are not responded to further. Other documents and evidence are also referenced within the LRM letter (by Brookbanks and Markides), but not provided, so the neither the Council nor Three Dragons can comment on their robustness.
- **1.6** It is also important to note that Hallam, in common with their previous opportunities at local plan and CIL consultation and examination stages, have chosen not to provide an alternative viability assessment to demonstrate as to why an alternative rate should be considered by the Council.

## Chapter 2 Review and response to LRM letter

| Extracts from LRM Planning representation on behalf of Hallam   | Response   |
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| Additional work underlines that the earlier<br>proposal did pose a risk to the delivery of HA55,<br>substantiating the views of Hallam and the<br>Examiner. The 2023 Viability Report, prepared in<br>light of further site-specific work, acknowledges<br>that the required buffer would be much reduced if<br>the original figure was retained.   | The headline finding from the November 2023<br>HA55 Viability Review (HA55VR) is that it is<br>viable to develop this site and deliver the<br>extensive package of mitigation and policy<br>costs and a CIL contribution at the proposed<br>draft charging schedule rate of £195/sq m, with<br>a still-considerable buffer of 41%. This<br>illustrates that the generous original CIL<br>Review VA November 2022 buffer for the R14<br>1,000 dwelling typology was sufficient to deal<br>with the site-specific requirements for HA55.   |
| Three Dragons work has considered in greater<br>detail HA55 specifically. Because of the Local<br>Plan's policy requirements, which are unique and<br>materially different to other allocations, the earlier<br>typology approach plainly isn't appropriate in this<br>context.   | As set out above, the typology approach with<br>its generous buffers was sufficient. However,<br>the more recent work does respond to the CIL<br>Examiner's concerns regarding potential for<br>higher Section 106 costs and therefore provides<br>a HA55 Section 106 policy requirements-<br>specific typology. The results of testing this<br>further typology show that a development<br>proposal responding to Policy HA55 continues<br>to be viable.  |
| A full viability can only be completed once there is<br>a fixed scheme. We are not yet at that stage with<br>amendments to P/20/0646/OA currently the<br>subject of further consultation.<br>Assuming the scheme does not change<br>significantly post consultation, the most significant<br>pieces of information which remain outstanding<br>are Section 106 costs, utility costs – supply and<br>diversions, and Abnormal Costs. | The planning application and associated<br>Section 106 planning obligation are not part of<br>the CIL setting process. Therefore, a typology<br>approach reflecting HA55 remains the most<br>appropriate response to the CIL examiner's<br>concerns. Additionally, planning application<br>P/20/0646/OA does not cover the whole<br>allocation, and the Section106 planning<br>obligation associated with this application has<br>not been completed. In any event substantial<br>headroom has been allowed for the Section<br>106 costs in the Council's CIL viability work<br>(see paragraphs 2.11 and 2.12 of Three<br>Dragons CIL viability Review November 2023). |

## Table 2.1 Response to comments within the LRM letter on behalf of Hallam

| Extracts from LRM Planning representation on behalf of Hallam   | Response   |
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| Notwithstanding, at each stage in the process it is<br>possible to make an assessment of viability and<br>that is precisely what the Inspector did at the CIL<br>Examination and at that point in the process, he<br>came to a reasoned judgement based on the<br>information that was available – the evidence that<br>he did have in front of him was sufficient to raise<br>concerns over the viability of HA55 and draw his<br>conclusions accordingly. | This is not agreed. The Examiner notes (in<br>considering HA55) that "No detailed viability<br>evidence was provided or considered in relation<br>to any other level of charge, including a zero<br>charge" (para 37 of the CIL Examination<br>Report). Notably, he found all other<br>assumptions fair and robust.<br>The HA55VR provides robust viability evidence<br>to justify that the revised proposed CIL charge<br>for HA55 would not undermine the viability and<br>deliverability of the site. It is noted that the LRM<br>submission does not contain an alternative<br>viability assessment for the Council to consider.<br>The more detailed review in HA55VR therefore<br>provides the Council with the reassurance<br>needed to set a specific CIL charge for HA55. |
| In order to undertake a credible "viability review"<br>the inputs need to be specific to the proposal<br>being tested. Hence the Three Dragons' approach:<br>"to supplement the viability assessment submitted<br>for the examination" (para 1.4 of their report) is<br>fundamentally flawed.   | The testing in HA55VR is for a policy compliant<br>typology, which is within PPG. This testing<br>builds upon the inputs judged sound by the CIL<br>examination but with the addition of specific<br>requirements for meeting policy HA55,<br>including for dwellings numbers and mix.<br>Whilst HA55VR includes a second typology<br>that reflects the area and dwelling numbers of<br>P/20/0646/OA, the testing is clearly on the<br>same basis (see para 1.4) and it is intentionally<br>not an application specific viability assessment<br>for P/20/0646/OA.  |
| It does not interrogate the HA55 proposals in any<br>detail; it fails to recognise that HA55 is not a<br>traditional housing development; it does not take<br>account of the specifics of the market area within<br>which HA55 is being developed; and, it relies on<br>out of date information on costs.   | Not agreed. HA55VR includes all the<br>requirements for HA55 as is appropriate for<br>setting CIL. The form of development,<br>development mix and policy requirements set<br>out in HA55VR all respond to the requirements<br>of Policy HA55. There are no policies in HA55<br>which require a non-traditional form of<br>development.<br>It is not appropriate to update values and costs<br>for this typology, from those set out in the CIL<br>evidence, as that would be inconsistent with  |

| Extracts from LRM Planning representation on behalf of Hallam   | Response   |
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|   | wider CIL setting proposed by the Council and<br>accepted by the Examiner. Furthermore the<br>house prices and costs relate to a point in time<br>(2Q2022) and both the approach, and the<br>values and development costs were considered<br>sound as part of the CIL examination (para 27<br>of the CIL Examination Report). In terms of<br>market specifics, the borough-wide approach to<br>values is informed by the local plan. This was<br>debated though the plan preparation process<br>and found sound. The figures provided by<br>Hallam do not take into account the base date<br>of the work and use examples to lower overall<br>£/sqm, including from outside Fareham borough<br>and therefore no convincing evidence was<br>provided as to why a different approach should<br>be taken to that already found sound.   |
| Failure of Three Dragons to undertake any<br>consultation with Hallam and their technical team;<br>relying on engagement through the Local Plan;<br>planning application submissions; CIL consultation<br>and Examination (as set out in para 1.15) does not<br>meet the provisions of the National Planning<br>Policy Guidance and Three Dragons have failed to<br>take account of "appropriate, available evidence<br>(para 007 Reference ID: 10-007-20190509).<br>There has been no attempt to interrogate the<br>specifics of the scheme. | Consultation has been undertaken in<br>accordance with guidance and regulation<br>throughout the Local Plan and CIL setting<br>process. In meeting PPG, HA55VR included<br>consultation with the Council about the specific<br>policy requirements for this allocation. This<br>responded specifically to the Examiner's<br>concerns about how policy requirements would<br>affect the viability of HA55 (para 39 of the CIL<br>Examination Report). It is important to note<br>that the CIL Examiner's concerns about the<br>viability of HA55 relate to the Section 106<br>requirements not the broader range of values or<br>development costs; and that the HA55VR<br>consultation has therefore focussed on the<br>HA55 policy Section 106 requirements. The<br>Council have confirmed that HA55VR was<br>consulted on with Hallam and other parties<br>involved in the CIL Examination. Three Dragons<br>has reviewed Hallam's consultation response<br>and the comments herein address those<br>responses. This CIL viability work is not a |

| Extracts from LRM Planning representation on behalf of Hallam  | Response  |
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|  | viability assessment for planning application <i>P</i> /20/0646/OA.   |
| The Three Dragons work purports to have a<br>greater degree of site and scheme specificity, but<br>plainly relies on high level and generic information.<br>Whilst the high level and generic information was<br>sufficient for the typological approach pursued<br>previously if the intention is to be more specific in<br>this exercise it needs to be faithful to that objective<br>on all counts. | Not agreed. HA55VR includes all the<br>requirements for HA55 as is appropriate for<br>setting CIL. The form of development,<br>development mix and policy requirements set<br>out in HA55 all respond to the requirements of<br>Policy HA55.<br>See above regarding values and development<br>costs already considered sound (i.e.<br>inappropriate to update and para 27 of the CIL<br>Examination Report) – the focus is on how the<br>requirements of policy HA55 would affect the<br>viability (i.e. para 39 of the CIL Examination<br>Report).   |
| Our response is informed by a detailed cost plan<br>and the "broad estimates" used by Three<br>Dragons are incorrect.  | No cost plan has been provided by Hallem for<br>HA55. It is not appropriate to update cost basis<br>for this typology, from that set out in the CIL<br>evidence, as that would be inconsistent with<br>wider CIL setting proposed by the Council and<br>accepted by the Examiner. Furthermore, the<br>costs relate to a point in time (2Q2022) and<br>both this approach and development costs<br>were considered sound as part of the CIL<br>examination (para 27 of the CIL Examination<br>Report) and consistent with the wider CIL<br>setting proposed by the Council and accepted<br>by the Examiner - the focus is on how the<br>requirements of policy HA55 would affect the<br>viability (i.e. para 39 of the CIL Examination<br>Report). The examiner's concerns were not<br>related to general development costs. |
| Assumption detail  |   |
| Sales values and revenue   |   |
| Hallam has instructed advice from Maclaren Clark<br>Consultancy, in respect of open market sales<br>values and revenues. The Maclaren Clark work<br>illustrates that the Three Dragons value and   | It is not appropriate to update values for this<br>typology, from that set out in the CIL evidence,<br>as that would be inconsistent with wider CIL<br>setting proposed by the Council and accepted   |

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| revenue estimates are derived from higher value<br>areas in the Borough and different housing<br>products despite it being suggested it is Borough<br>wide assessment. Maclaren Clark provide<br>comparative examples that are better suited to<br>considering likely values in the instance of HA55.   | by the Examiner. Furthermore the house prices<br>relate to a point in time (2Q2022) and both the<br>approach and the values were considered<br>sound as part of the CIL examination (para 27<br>of the CIL Examination Report). In terms of<br>market specifics, the borough-wide approach to<br>values is informed by the local plan. This was<br>debated though the plan preparation process<br>and found sound. The figures provided by<br>Hallam do not take into account the base date<br>of the work and use examples to lower overall<br>£/sqm, including from outside Fareham borough<br>and therefore no convincing evidence was<br>provided as to why a different approach should<br>be taken to that already found sound |
| The Council ought not to quarrel with this point<br>being put at this time. The Three Dragons work<br>purports to have a greater degree of site and<br>scheme specificity, but plainly relies on high level<br>and generic information. Whilst the high level and<br>generic information was sufficient for the<br>typological approach pursued previously if the<br>intention is to be more specific in this exercise it<br>needs to be faithful to that objective on all counts.                              | Not agreed. HA55VR includes all the<br>requirements for HA55 as is appropriate for<br>setting CIL. The form of development,<br>development mix and policy requirements set<br>out in HA55 all respond to the requirements of<br>Policy HA55.<br>See above regarding values (i.e. inappropriate<br>to update, para 27 of the CIL Examination<br>Report and borough wide approach) – the focus<br>is on how the requirements of policy HA55<br>would affect the viability (i.e. para 39 of the CIL<br>Examination Report). The examiner's concerns<br>were not related to general values or revenue.  |
| Development and infrastructure costs  |   |
| Brookbanks on behalf of Hallam suggests that<br>there appears to be no regard to the requirements<br>of the Masterplanning Principles Document and<br>the associated quality aspects of the proposed<br>development, evident from the precedents<br>contained therein and the later Design and Access<br>Statement. It isn't apparent that Three Dragons<br>have in fact considered this material whatsoever in<br>order to contemplate the type and form of the<br>proposed development. Rather, its costs are | The Brooksbanks' work has not been provided<br>in response to this consultation, so it not<br>possible to comment in any detail regarding<br>these statements. However, as set out in<br>HA55VR, the typology is based on the Local<br>Plan, in which the Masterplan Principles<br>Document is an Appendix, Fareham Borough<br>Council and some information drawn from the<br>planning application (see HA55VR paras 2.1-<br>2.4). The Council have confirmed to Three  |

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| derived from standard housebuilder products<br>which are of a very different nature. For example,<br>Hallam's cost consultants estimate that those<br>elements alone add circa £9m to the build cost.  | Dragons that they consider that the typology<br>tested along with associated allowances does<br>meet the requirements of HA55.<br>With regard to costs, see above regarding<br>development costs (i.e. inappropriate to update<br>and para 27 of the CIL Examination Report) –<br>the focus is on how the requirements of policy<br>HA55 would affect the viability (i.e. para 39 of<br>the CIL Examination Report). Furthermore,<br>although the Council has not been provided<br>with the cost plan referred to, it is clear that the<br>examiner's concerns were not related to<br>general development costs. |
| Brookbanks on behalf of Hallam suggests that Q2<br>2002 build costs are grossly out of date at the<br>present time. Whilst build costs might reduce over<br>the period of the project, equally they might not<br>and that higher costs are now normal for the<br>foreseeable future. To ensure that the delivery of<br>HA55 is not prejudiced, those higher build costs<br>should be the starting point. | It is not appropriate to update the cost base for<br>this typology, from that set out in the CIL<br>evidence, as that would be inconsistent with<br>wider CIL setting proposed by the Council and<br>accepted by the Examiner. Furthermore the<br>costs relate to a point in time (2Q2022) and<br>both the approach, costs and buffer were<br>considered sound as part of the CIL examination<br>(para 27 and 36 of the CIL Examination Report).<br>The Brookbanks' report has not been provided<br>so no evidence is provided for higher build<br>costs.  |
| The sums listed under infrastructure costs are not<br>sufficient to take account of:<br>(a) earth works across the site and the need for<br>land raising to allow for the installation of<br>drainage<br>infrastructure: and<br>(b) costs associated with service diversions both<br>within the site and in association with the offsite<br>highway pedestrian and cycle improvements.                   | See above regarding development costs (i.e.<br>inappropriate to update and para 27 of the CIL<br>Examination Report) – the focus is on how the<br>requirements of policy HA55 would affect the<br>viability (i.e. para 39 of the CIL Examination<br>Report). The examiner's concerns were not<br>related to general development costs.<br>There is no direct policy requirement relating to<br>service diversions and it is not clear that these<br>are necessary. However, in any event these<br>costs should not be included without an<br>adjustment to land value as required by PPG.                        |

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| Local policy costs  |  |
| Markides Associates, who advice Hallam and<br>transportation matters have costed the off-site<br>highway improvements referred to in the<br>preceding paragraph as exceeding £10.6 million<br>(potential Section 106 and Section 278 costs). This<br>is greater than the figure included in the sensitivity<br>allowance and should be the base assumption.<br>The design for the area of environmental<br>mitigation west of Peak Lane as set out in the<br>Habitat Creation and Open Space document has<br>been costed at £3.1million, a tenfold increase to<br>that assumed presently.   | The Markides' work has not been provided in<br>response to this consultation, so it not possible<br>to comment in any detail regarding this<br>statement. However, HA55VR includes a base<br>allowance of £6.5m and a sensitivity test<br>allowance of £9.4m to meet the transport<br>requirements of policy HA55, and a total of<br>£10.9m to meet the habitats, open space<br>provision and management requirements for<br>policy HA55 (as advised by the Council, see<br>HA55VR table 2.5, 2.11 and para 2.12). Table<br>2.5 states the source of the cost information.<br>The Council based these figures on the best<br>available evidence at the time of the report.<br>However it should be noted that there is no<br>agreement on P/20/0646/OA transport,<br>recreation or habitat mitigation costs between<br>the Council and the applicant at time of<br>assessment. |
| Viability   |  |
| <ul> <li>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: <ul> <li>firstly, significantly over-stated revenues (for the market, affordable and custom build housing);</li> <li>secondly, made an insufficient allowance for developer profit given the risk involved in this instance;</li> <li>thirdly, has assumed grossly insufficient build and infrastructure costs;</li> <li>fourthly, underestimated the whole site benchmark land value contrary to previous assumptions; and</li> <li>fifthly, has adopted a flawed approach to calculating the scheme finance costs.</li> </ul> </li> </ul> | Not agreed. The input allowances have all been<br>justified and are appropriate for a CIL setting<br>process.<br>The bullet points referring to costs and values<br>(1 & 3) have been previously addressed - see<br>above regarding values and development costs<br>already considered sound (i.e. inappropriate to<br>update and para 27 of the CIL Examination<br>Report) – the focus is on how the requirements<br>of policy HA55 would affect the viability (i.e.<br>para 39 of the CIL Examination Report).<br>In terms of point 2 there was no mention of<br>developer return in the CIL Examination Report<br>and in any event, the figures used are within the<br>range set out in PPG. In response to bullets 4 &<br>5, the CIL examiner did not have any issue with  |

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| Inputs result in a significantly overstated<br>projection of the scheme's viability position and if<br>changed, the scheme would be significantly in<br>deficit.   | the approach to the benchmark land values or<br>cashflow (paras 20/21 and 25 of the CIL<br>Examination Report).   |
|  | There is no viability assessment in the submission to support the conclusion that the scheme would be in deficit.   |
| Annex 1 - Further information which impacts on viability and was not available at the time of the Local Plan Examination   |   |
| <ul> <li>a. There is significantly more detail available on<br/>the scheme in terms of:</li> <li>i. Section 106 / Section 278 costs</li> <li>ii. The Habitat Creation Scheme – Three Dragons<br/>only account for the costs of Drier</li> <li>Grassland (15.5ha @ £1.11 sqm) however by<br/>reviewing the relevant report it is clear that there<br/>is significantly more involved in the creation of that<br/>scheme than simply planting an area of grassland.</li> <li>iii. Sustainable travel and highways interventions<br/>iv. The requirements of Natural England</li> </ul>   | HA55VR includes allowances and source of<br>costs for these items (see table 2.5 and paras<br>2.12-2.15).<br>If there is further cost, then PPG suggests that<br>this should come out of land value (Viability<br>paras 13 & 14).   |
| <ul> <li>v. Abnormal costs</li> <li>b. Despite the Highways Authority presenting<br/>evidence at the Examination that the focus of<br/>this scheme would be the delivery of sustainable<br/>travel it is clear now that the Highways Authority<br/>are expecting both sustainable travel AND<br/>contributions toward traditional highways<br/>interventions;</li> <li>c. The package pedestrian / cycle links are far more<br/>extensive than anticipated in Policy HA55<br/>subsection</li> <li>d. Three Dragons assume that the sports pitch<br/>requirement will be a site only – there is no<br/>documented evidence that FBC agree with this<br/>approach</li> </ul> | As above, HA55VR includes allowances and<br>source of costs for these items (see table 2.5<br>and paras 2.12-2.15) as well as a sensitivity<br>test for higher transport costs.<br>If there is further cost, then PPG suggests that<br>this should come out of land value (Viability<br>paras 13 & 14).<br>It should be noted that in any event there is no<br>agreement at present on P/20/0646/OA<br>transport costs, recreation or habitat mitigation<br>costs between the Council and the applicant at<br>time of assessment. |

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| e. Natural England have failed to accept that the<br>Green Infrastructure is a reasonable alternative to<br>recreation on the New Forest and Solent SPAs   |  |
| f. FBC have failed to accept that Appendix D is<br>"indicative" (Para 138 of the Inspector's Report)<br>and therefore, there has been no flexibility in the<br>subsequent design of the scheme;  | This relates to P/20/0646/OA.  |
| <ul> <li>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;</li> <li>h. The housing market and economic climate are in a very different place</li> </ul> | The house prices and costs relate to a point in<br>time (2Q2022) and both this approach, the<br>values, development costs and the buffers were<br>considered sound as part of the CIL examination<br>(paras 27 and 36 of the CIL Examination<br>Report).   |
| Annex 2 - Three Dragons assumptions  |  |
| a. The assessment undertaken is based on an old<br>scheme pre the 2022 amendments. Further<br>amendments have been discussed with the<br>Council since April 2023.   | This is not a scheme specific assessment. As set<br>out in HA55VR, the typology is based upon the<br>information in the Local Plan, Fareham Borough<br>Council and some information drawn from the<br>planning application (see HA55VR paras 2.1-<br>2.4). HA55VR is clearly not intended to<br>viability test planning application<br>P/20/0646/OA. |
| b. The reference to 8.3 ha of land south of Stroud<br>Green is an error; the area of land allocated as<br>HA55 does not extend south of Stubbington<br>Bypass.   | The site boundaries and land budget for the<br>typology are set out in HA55VR figure 2.1 and<br>table 2.1. This information is based upon the<br>Local Plan, Fareham Borough Council and some<br>information drawn from the planning<br>application, and relates to the whole of the<br>policy HA55 allocation.                                      |
| c. Assumptions regarding storey heights across<br>the development does not reflect the<br>Masterplanning Principles Document.  | As set out in HA55VR, the typology is based<br>upon information is based upon the Local Plan,<br>Fareham Borough Council and some<br>information drawn from the planning<br>application (see HA55VR paras 2.1-2.4).  |

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| d. Whilst an allowance is made for servicing the<br>care home and local centre, no equivalent<br>allowance is made for either the primary school<br>and sports hub. | The development costs were considered sound<br>as part of the CIL examination (para 27 of the<br>CIL Examination Report).<br>HA55VR includes specific education costs (see<br>table 2.5) and the Council expects the sports<br>hub costs to be met through other funding.   |
| e. Infrastructure costs are based on index linked costs from a number of years ago.   | This comment is understood to refer to policy<br>infrastructure costs. HA55VR includes<br>allowances and source of costs for these items<br>(see table 2.5 and paras 2.12-2.15) as well as a<br>sensitivity test for higher transport costs.<br>If there is further cost, then PPG suggests that<br>this should come out of land value (Viability<br>paras 13 & 14).  |
| f. Other sections 106 costs do not reflect<br>consultation responses available at the time of the<br>exercise;  | HA55VR includes allowances and source of<br>costs for these policy requirements (see table<br>2.5 and paras 2.12-2.15) as well as a sensitivity<br>test for higher transport costs.<br>If there is further cost then PPG suggests that<br>this should come out of land value (Viability<br>paras 13 & 14).  |
| g. No account has been taken of abnormals such<br>as earthworks; utility costs – services and<br>diversions; the Building Safety Levy or Elevational<br>Uplifts;    | Again, see above regarding development costs<br>considered robust by the CIL examiner (i.e. para<br>27 of the CIL Examination Report) - focus is on<br>how the requirements of policy HA55 would<br>affect the viability (i.e. para 39 of the CIL<br>Examination Report).<br>The Building Safety Levy is a proposed charge<br>made on development companies, similar in<br>broad principle to the Residential Property<br>Developer Tax and other taxes paid by the<br>development industry rather than mitigation. It<br>has been subject to recent consultation, but no<br>suggested levy amounts have been suggested.<br>It is not considered a viability issue for HA55<br>and was not an issue of concern for the CIL<br>Examiner. |

| Extracts from LRM Planning representation on behalf of Hallam   | Response   |
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|   | This CIL viability work is not a viability<br>assessment for planning application<br>P/20/0646/OA, including elevational uplifts.  |
| h. Sprinkler costs have only been applied to the<br>local centre flats. The Masterplaning<br>Principles Document intends that there are 255<br>flats across the scheme as a whole and a<br>disproportionate number of those will be on the<br>application site.   | Again, see above regarding development costs<br>considered robust by the CIL examiner (i.e. para<br>27 of the CIL Examination Report) - focus is on<br>how the requirements of policy HA55 would<br>affect the viability (i.e. para 39 of the CIL<br>Examination Report).<br>Sprinklers are only required for flats with a top<br>storey more than 11m above ground level. |
| i. Electric vehicle charging will be required in the<br>local centre, the school site and the sports<br>hub; the servicing costs increase accordingly.  | Once again, see above regarding development<br>costs considered robust by the CIL examiner<br>(i.e. para 27 of the CIL Examination Report) -<br>focus is on how the requirements of policy<br>HA55 would affect the viability (i.e. para 39 of<br>the CIL Examination Report).   |
| j. Three Dragons base all of their assessments on<br>assumptions that the capacity of HA55 is<br>split 1200 on the application site and 50 dwellings<br>on the balance. The application is for "up<br>to" 1200 units and the final capacity will not be<br>determined until the parameters plan is<br>fixed and proving layouts are produced. | The site boundaries and dwelling numbers for<br>the typology are set out in HA55VR figure 2.1<br>and table 2.2. This information is based upon<br>the Local Plan, Fareham Borough Council and<br>some information drawn from the planning<br>application, and relates to the whole of the<br>policy HA55 allocation.   |
| k. Whilst the allocation extends across the<br>Seale/Williams land, the character areas attribute<br>the greatest proportion of the 255 flats to the<br>Hallam land.  | HA55VR tests the allocation. This CIL viability<br>work is not a viability assessment for planning<br>application P/20/0646/OA.  |
| l. Three Dragons base all of their assumptions on<br>the 50 dwellings on the Seale/Williams land<br>making a proportionate share of the transport<br>costs; the GI costs; the bird mitigation costs<br>etc, – that is simply incorrect. Fixed costs<br>associated with the scheme mitigation will be<br>borne only by Hallam.                 | HA55VR tests the allocation. This CIL viability<br>work is not a viability assessment for planning<br>application P/20/0646/OA.  |