

FAREHAM

BOROUGH COUNCIL

Ms Helen Hockenhull
Planning Inspectorate
via email only

Head of Planning Strategy and
Economic Development
Gayle Wootton

Contact: Gayle Wootton

Ext.: 4328

Date: 25 March 2022

Dear Ms Hockenhull

Examination of the Fareham Local Plan 2037

Written Ministerial Statement and Nutrient Levels in River Basin Catchments – 16 March 2022

With reference to your letter of 22 March 2022 on the matter of the Written Ministerial Statement (WMS) and updated advice from Natural England (NE), I write to offer the Council's view on the matter and specifically its opinion in relation to the examination of the Fareham Local Plan 2037 and its evidence base.

By way of context, the issue of nutrient neutrality is not new to this Council and it has been working with Natural England since early 2019 to mitigate the potential for nutrient pollution on protected sites in unfavourable condition, namely the Solent¹, as a result of planning permission for new overnight accommodation, including residential development. As highlighted in the Local Plan evidence base, including the Habitats Regulations Assessment (HRA) (CD004), the Housing Delivery Test Action Plan (FBC008) and the Council's response to Matter 10 question 7, the Council as competent authority under the Habitats Regulations have been applying the guidance on the matter from NE, which until 16 March 2022 was version 5 (FBC057).

The publication of new national guidance on 16 March 2022, the Written Ministerial Statement and the Chief Planner's Letter of the same date does not significantly change this situation. There are minor changes to the methodology for calculating nutrient neutrality, for example, to include consideration of soil type and water infiltration rates on the development site. This will require the Council to review sites currently without planning permission and their ability to achieve nitrate neutrality and recalculate the level of mitigation required. From the calculations the Council has performed to date, the changes appear relatively small on the majority of sites in the Borough. For clarity, the Solent is listed as an existing affected area in Table 2 of Annex C of the new NE guidance and this confirms that there are no additional considerations, such as the addition of pollution from phosphorus to consider. This, in our view, limits the impact of the changes.

¹ Designated variously as SAC, SPA and Ramsar

To expand further, in relation to the deliverability of sites in the Local Plan supply, clearly a significant contribution of supply in the short-term is accounted for by sites with full planning permission. There is no requirement to recalculate the mitigation required for these developments. For sites which are close to being determined (either in respect of full planning permission and a reserved matters application), there will be a short delay, estimated to be no more than one to two months while the recalculations are undertaken, revisions made to appropriate assessment and consultations carried out with NE, and where necessary, additional mitigation is secured. The Council takes the protection of the natural environment seriously, and has chosen to use the most recent NE guidance over continuing to issue permissions under the previous methodology, despite the NE guidance stating that transition arrangements were possible and to be determined by the competent authority. For this reason, the Council's Planning Committee that sat on 23 March 2022 did not consider any applications for residential development.

Should development sites require a greater degree of mitigation, the existence of several strategic mitigation schemes that applicants in Fareham can access and the current surplus of mitigation supply to demand, as evidenced in the latest PfSH report on the issue (FBC058) demonstrates that more mitigation is available to purchase. Some time will be required to renegotiate arrangements where they are close to finalisation, but this should only affect developments that are close to being determined. Sites further along in the delivery trajectory are unlikely to be affected in that they are unlikely to have already concluded negotiations that need to be reopened. None of the agreements between the Council and mitigation providers, listed at question 5 of the Council's response to the Inspector's Initial Questions (FBC001), need to be revisited, providing further evidence of the limited impact this change in methodology is likely to have on housing delivery in the Borough, and the Local Plan trajectory.

The Council will need to recalculate the nitrate budget for the Local Plan, as you referred to in your letter, in the HRA of 2020 (ISLP008) but this is considered achievable in the coming weeks and any update to the HRA could be consulted on as an addendum to the HRA as part of the final stages of plan preparation following the conclusion of the examination hearings. The Council consider that these changes would be inconsequential to other elements of the HRA and therefore, in line with its answer to Matter 1 question 11, remain of the view that the Plan is compliant with the Habitats Regulations and no main modification(s) is required to the plan to ensure no adverse effect. The HRA update could be reflected in an update to the Statement of Common Ground (SOCG) with NE (FBC043), but the Council's understanding, as they have expressed to you, is that this new methodology has no implications for the Fareham Local Plan 2037, including their position on policy NE4.

Finally, in relation to potential concerns around viability of sites should the mitigation level be increased by the new methodology. Having discussed this issue with our viability consultants, Three Dragons, the Council's view is that their work to date included a cost that is slightly higher than the average cost of mitigation as expressed in the latest PfSH report (£2,750 vs £2,838) (FBC048, VIA003). Clearly this is an average figure and the recent changes to the methodology will have varying degrees of impact on the range of development sites within the Local Plan supply. However the levels of headroom resulting from their calculations were significant even after considering the policy requirements, CIL payments and £10,000 per house average environmental mitigation costs. Therefore, it is their view that, on the whole, viability should not be an issue and there is sufficient flexibility within the plan for applicants to present evidence to the contrary at the point of

application should their site have a particular set of characteristics which may present a heavy mitigation burden in relation to nutrient neutrality. Therefore, the Council's view is that viability does not need to be reassessed as part of the Local Plan examination.

I trust that provides you with sufficient comfort as we proceed with the examination that this issue has been thoroughly considered by the Council in light of its plan-making responsibilities, and that other than procedural issues around updating the HRA and SOCG with NE, no further consideration of this matter is required.

I can confirm that this letter will be added to the examination library, along with any relevant documents not already included.

Yours sincerely

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Gayle Wootton
Head of Planning Strategy and Economic Development