

Fareham Borough Council

**Annual Infrastructure Funding
Statement**

**For
Community Infrastructure Levy and
Section 106**

**Reporting Period:
From 1 April 2019 to 31 March 2020**

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Introduction

1. This report provides information on the monetary (and non-monetary) contributions sought and received from developers for the provision of infrastructure to support development in Fareham, and the subsequent use of those contributions by Fareham Borough Council. The report covers the financial year 1 April – 31 March 2020.
2. Fareham seeks developer contributions through the Community Infrastructure Levy (CIL) and Section 106 agreements (also known as “planning obligations”).

CIL

3. CIL was introduced in 2010 and has been charged in Fareham since May 2013. CIL is a set charge, based on the gross internal area floorspace of buildings, on most new development to help fund the infrastructure needed to address the cumulative impact of development across our area. Our CIL charging schedule, setting out our CIL charging rates, is available on our website¹.
4. Local planning authorities must use CIL to fund ‘the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area’. There is also a neighbourhood portion of CIL – ‘Local CIL’ – which is similarly able to fund infrastructure but can also fund ‘anything else that is concerned with addressing the demands that development places on an area’. Under ‘Local CIL’, a CIL charging authority must pass 15% of local CIL receipts to the parish council for the area where a CIL liable development takes place, rising to 25% if the parish has a Neighbourhood Plan in place. In unparished areas, the CIL charging authority can spend equivalent amounts in the locality, following engagement with local communities.

Planning Obligations

5. Section 106 of the Town and Country Planning Act 1990 enables a local planning authority to enter into a negotiated agreement – a planning obligation - to mitigate the impact of a specific development, to make it acceptable in planning terms. The planning obligation might, for example, require the provision or contribution to a new or improved road, school, health facility or local green infrastructure. Local planning authorities can also seek planning obligations to secure a proportion of affordable housing from residential developments. In some instances, section 106 planning obligations may require payments to be made to parish councils.

¹ http://www.fareham.gov.uk/planning/local_plan/cil.aspx

Community Infrastructure Levy Matters

Community Infrastructure Levy Regulations (2019 Amendment) Regulation 121A Schedule 2 Section 1

Income

7. The total value of demand notices issued in the reported period is £1,345,748.20. Of this amount £39,180.90 is from surcharges and interest imposed due to breaches of the Community Infrastructure Levy Regulations.
8. The total amount of CIL receipts collected within the period 2019/20 totals £1,073,704.09
9. The amount of CIL receipts collected prior to the reported period totals £9,275,152.77.
10. The total amount of CIL collected prior to the reported period that has been allocated in relation to cash received is £9,185,152.77 and in relation to land payments (including payments in kind and infrastructure payments) is £90,000.

Expenditure

11. The total CIL expenditure recorded for the reported period is as follows:

Type	Expenditure
Admin CIL	£0
Neighbourhood CIL	£0
CIL Land Payments	£0
Other CIL Cash	£870,344.96
Total Value	£870,344.96

12. The items of infrastructure on which CIL (including land payments) has been spent within the reported year, and the amount of CIL spent on each item is as follows:

Infrastructure	Date	Amount	Description
New Fareham Arts Venue	2019-2020	£426,586.83	Capital expenditure to deliver the vision of a new arts and entertainment facility in Fareham.
Play Area Improvement Programme	2019-2020	£212,431.88	Upgrades to play areas in Portchester, Titchfield, Sarisbury and Fareham
Bus Shelters	Dec 2019 Feb 2020	£10,720.99	Two bus shelter installations
Holly Hill Cemetery Extension	2019-2020	£220,605.26	Extension to Holly Hill cemetery to provide an extra 350 burial spaces
		£ 870,344.96	

13. The total amount of CIL allocated and not spent during the reported period is as follows:

Type	Allocated	Spent	Remaining
Admin CIL	n/a	n/a	n/a
Neighbourhood CIL	n/a	n/a	n/a
CIL Land Payments	n/a	n/a	n/a
Other CIL Cash	£475,403.24	£0	£475,403.24
Total Value	£475,403.24	£0	£475,403.24

14. Regarding CIL collected and allocated within the reported year that has not been spent, summary details of what has been allocated, is remaining to be spent and what it has been allocated towards is as follows:

Infrastructure	Amount allocated	Amount Unspent	Allocation Dated
New Fareham Arts and Entertainment Venue	£475,403.24	£475,403.24	9 July 2018 3 Dec 2019

15. The amount of CIL spent on repaying money borrowed, including any interest, and details of the items of infrastructure which that money was used to provide (wholly or in part) is as follows:

Date	Amount Used	Loan/Interest	Infrastructure Funded
n/a	£0	n/a	n/a

16. The amount of CIL spent on administration expenses during the reported year is £0.

17. The total amount of CIL passed to a neighbourhood zone under Regulation 59A, cash collected and allocated towards a Neighbourhood CIL, and 59B, cash provided by the Charging Authority to Neighbourhood Zones equivalent to what they would have received on a payment in kind is £0.

18. The amount of CIL passed to any local council under regulation 59A or 59B is £0.

19. The amount of CIL passed to any person under regulation 59(4) is £0.

20. The total amount of CIL receipts retained at the end of the reported period is £4,506,247.07.

The (CIL) Infrastructure List

21. Regulation 121A(1)(a) requires the infrastructure funding statement to include:

“a statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL (other than CIL to which regulation 59E or 59F applies) (“the infrastructure list”)”

22. The Council’s current CIL Regulation 123 list, valid with effect from 1 March 2018:

Coldeast Hospital site/ Western Wards:

- Provision and laying out of the cemetery (excluding acquisition of land) and;
- Provision and laying out of the allotments (excluding acquisition of land).

Community Centres:

- Provision of new facilities, and improvements to existing facilities, excluding any provision required due to Welborne.

Open Space:

- Provision and facilities for addressing open space deficiencies in terms of quantity, quality or accessibility, excluding on-site provision of local open space and children's play equipment, and excluding any provision required due to Welborne.

Playing fields and sports pitches:

- Excluding any provision required due to Welborne.

Transport infrastructure and facilities:

- Excluding specific improvements needed to make the development acceptable in planning terms. These can include (but are not limited to) highways crossovers to access the site and local road junctions, deceleration and turning lanes, measures to facilitate pedestrian and cyclist access, lighting and street furniture needed to mitigate the impact of a development. They may also include mitigation works remote from the development site where the need for such works is identified in a Transport Assessment and;
- Excluding all transport infrastructure required due to Welborne.

Public realm in Fareham Town Centre:

- Environmental improvements including hard and soft landscaping, signage, seating, cycle racks and permanent multi-functional structures in Fareham town centre.

Section 106 Matters

Community Infrastructure Levy Regulations (2019 Amendment) Regulation 121A Schedule 2 Section 3

23. Fareham Borough Council uses the OCELLA LAM module to monitor and report on developer contributions. This report is currently limited to the output from that system which has been undergoing development. It is intended that the next edition of the Infrastructure Funding Statement will be more comprehensive.
24. During the reporting year 1 April 2019 to 31 March 2020, determination of major applications was limited due to the ongoing impact of excessive nitrates entering the Solent which is a nature conservation site of international importance. As a direct result of advice from Natural England, no planning permissions were granted for major housing proposals within Fareham Borough from January 2019, and no planning permissions for new build dwellings were granted in Fareham Borough from March 2019 except where an agreed mitigation strategy can be agreed and is in place. More information can be found at:
www.fareham.gov.uk/planning/nitratepositionstatement

Income

25. There were two section 106 agreements entered into during the reporting year 1st April 2019 and 31st March 2020. The total amount of money to be provided under any planning obligations which were entered during the reported year is £43,444.00. This figure does not consider indexation (inflation/deflation) that may be applied when the money becomes due. The £43,444.00 has not been received.
26. The total amount of money received from planning obligations during the reported year was £242,287.17
27. The total amount of money received prior to the reported year that has not been allocated is £6,110,173. Of this £292,775.70 is yet to be received.
28. During the reported year the following non-monetary contributions have been agreed under planning obligations:
- i. The total number of affordable housing units to be provided is 0.
 - ii. The following education provisions have been agreed under S106 agreements: 0

Expenditure

29. The total amount of money from planning obligations allocated towards infrastructure during the reported year was £0.
30. The total amount of money from planning obligations spent during the reported year was £148,140.

31. In relation to money which was spent by Fareham Borough Council during the reported year, the items of infrastructure that planning obligation money has been spent on and the amount spent are as follows:

Infrastructure	Spent	Date Spent	Spend Description
Daedalus Gate Guardian	£24,028	Aug 2019	Daedalus Sculpture & Installation
Technician Posts	£49,800	March 2020	Public spaces posts
Bellway Homes	£590	March 2020	Bell Davies Road, Stubbington
Play Area Safety Surface Replacement Programme	£23,941	July 2019 Aug 2019 Nov 2019	Sunlight Gardens, Abshot Skate Park, Badger Copse, Burr ridge Recreation Ground, Blackbrook Park, Kenwood Road & Harbour View
Abbey Meadows	£41,081	March 2020	Maintaining Abbey Meadows
CCTV	£8,000	March 2020	Maintaining CCTV cameras city centre
Refund S106	£700	Nov 2019	Previous years
Total	£148,140		

32. The amount of planning obligation money spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide are as follows:

Date	Amount Used	Loan/Interest	Infrastructure Funded
n/a	n/a	n/a	n/a

33. The amount of planning obligation money spent in respect of administration of planning obligations and monitoring in relation to the delivery of planning obligations during the reported year was £0

34. The total amount of money retained at the end of the reported year is £5,926,57.

ANNEX A: The Regulatory Requirements for Infrastructure Funding Statements

The Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019

Regulation 121A states:

(1) Subject to paragraph (2), no later than 31st December in each calendar year a contribution receiving authority must publish a document (“the annual infrastructure funding statement”) which comprises the following—

- a) a statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL (other than CIL to which regulation 59E or 59F applies) (“the infrastructure list”);
- b) a report about CIL, in relation to the previous financial year (“the reported year”), which includes the matters specified in paragraph 1 of Schedule 2 (“CIL report”);
- c) a report about planning obligations, in relation to the reported year, which includes the matters specified in paragraph 3 of Schedule 2 and may include the matters specified in paragraph 4 of that Schedule (“section 106 report”).

(2) The first annual infrastructure funding statement must be published by 31st December 2020.

(3) A contribution receiving authority must publish each annual infrastructure funding statement on its website.

ANNEX B: Solent Habitat Mitigation Contributions

Background

The Solent is internationally important for its wildlife and three Special Protection Areas (SPAs) have been designated by the Government to protect over-wintering birds. The Solent's species are protected under national and international law.

Research undertaken during 2009 - 2013 assessed the impact of recreational activity on wintering birds on the Solent. The research highlighted that planned new housing in South Hampshire would result in a large increase in coastal visits, with a likely impact on the birds unless mitigation measures were put in place. The research showed that mitigation would be required from all new dwellings built within 5.6 kilometres of the boundaries of the SPAs (this is the zone from which 75% of coastal visits originate within). Planning authorities must therefore ensure that necessary mitigation measures are in place before they grant permission for new development.

The Solent Recreation Mitigation Partnership was established to co-ordinate the use of developer contributions from planning authorities to fund strategic mitigation measures. Now known as 'Bird Aware Solent', the partnership comprises the fourteen Solent local planning authorities, Natural England, the RSPB, Hampshire & Isle of Wight Wildlife Trust, Chichester Harbour Conservancy and Hampshire County Council. Governance is provided by the Joint Committee of the Partnership for South Hampshire (PfSH) with the involvement of the representatives of the non-PfSH authorities. Further information is available at www.solent.birdaware.org and a useful Frequently Asked Questions document can be viewed [here](#).

Solent Recreation Mitigation Strategy (December 2017)

Based on the research undertaken, the [Solent Recreation Mitigation Strategy](#) sets out a package of agreed mitigation measures to ensure that new residential development does not impact on the integrity of the Solent's protected sites. The Strategy enables a developer within the 5.6km catchment area to opt into the scheme and make a financial contribution towards the strategic mitigation of recreational pressures. Developer contributions are pooled from across the fourteen planning authorities to fund a range of strategic habitat mitigation measures. Developers also have the option of providing their own mitigation if they have the ability to do so, but it is usually simpler, quicker and less costly to make a contribution towards the joint Strategy.

The use of developer contributions towards the Solent mitigation strategy

[Developer contributions](#) are paid to the local planning authorities from new residential and visitor accommodation development and it is a decision for each authority which legal mechanism is used to secure the contributions. The contributions are transferred quarterly to the partnership, where they are pooled to implement mitigation measures.

The partnership sets a budget for each year. The value of the developer contributions received by the partnership each year, and details of all expenditure, are set out in an annual report. These [annual reports](#) are produced each summer, describing progress during the preceding year; how the developer contributions were spent; and setting out the plans and budget for the following year.

The [Solent Recreation Mitigation Strategy Annual Report 2020](#) describes the progress made during 2019/20 and sets out the plans for 2020/21. During 2019/20, planning permission was granted for 2,564 net new dwellings which were assessed as requiring mitigation; and the total developer contributions received by the partnership amounted to £715,000. Set out below is an overview of the mitigation projects supported in the 2019/20 reporting year through the use of pooled developer contributions and further details can be found in Appendix 1 of the Annual Report 2020.

Bird Aware Solent – 2019/20 projects

2019/20 mitigation measure	Developer Contribution
<p>Team of full time and seasonal rangers The key mitigation measure is a team of rangers who patrol the Solent coast. The rangers aim to reduce bird disturbance by helping people to better understand the importance of the over-wintering birds and their vulnerability to disturbance.</p>	£254,144
<p>Monitoring Monitoring the effectiveness of the mitigation measures is vital. During Winter 2019/20, interviews were undertaken with coastal visitors to establish their patterns of use and behaviour. 10 passive counters have been installed at set points along the coast so that the movement of people could be captured. The third tranche of Access Management Assessments (detailed assessments of high priority sites) took place during the 2019/20 year.</p>	£60,324
<p>Information, Marketing and Communications Effective communications are key to raising awareness and achieving behavioural change amongst people who visit the coast. The website has been extended to include more information about the birds and a new section on visiting the Solent has been created, signposting users to walks and cycle routes away from the coast.</p>	£57,851

Developer contributions in 2019/20 were also spent on the Partnership Coordination Officer post (£33,639). The partnership is also investing a proportion of the developer contributions received in order to create an investment pot which will fund the mitigation measures in-perpetuity.

Bird Aware Solent – 2020/21 projects

The fourteen local planning authorities within the Solent’s 5.6km catchment area are continuing to pool developer contributions. A budget has been set for 2020/21 totalling £1,997,000 to fund the implementation of mitigation measures and associated costs including the part-time Partnership Manager. Further details are available in Appendix 2 of the Annual Report 2020 and the headlines are set out below.

2020/21 mitigation measure	Developer Contribution
<p>Team of full time and seasonal rangers The ranger team remain a core part of the mitigation package and the Bird Aware Solent rangers complement the work undertaken by other rangers along the Solent coast (including those employed by Hampshire County Council, the Hampshire & Isle of Wight Wildlife Trust and others).</p>	£287,000
<p>Monitoring Undertaking the next phase of data collection to monitor the effectiveness of the mitigation measures.</p>	£35,000
<p>Information, Marketing and Communications To include: (i) actively promoting the use of the Bird Aware brand to 3rd parties; and (ii) implementing the second year of the agreed Marketing Strategy, growing the reputation and sphere of influence of Bird Aware Solent.</p>	£50,000
<p>Dog Initiatives Lead Recruiting a dedicated Dog Initiatives Lead officer to implement initiatives to encourage responsible dog walking</p>	£40,000
<p>Site Specific Projects A total of £2 million is set aside over a number of years to fund capital projects designed to further the aims of the strategy through the provision of visitor management techniques, enhanced bird habitats, enhanced strategic recreational space or public engagement and education initiatives. In 2020/21 the first round of funding for the site-specific projects will be awarded and the second round will be allocated. Project bids have been invited from across the Solent area and are assessed by a group including Natural England and the Hampshire & Isle of Wight Wildlife Trust.</p>	£400,000

Conclusions

National planning policy and the ‘duty to cooperate’ require local planning authorities to work together to address strategic, cross-boundary matters. The Solent Recreation Mitigation Strategy partnership is a good example of joint working, with fourteen local planning authorities pooling received developer contributions to support the delivery of a package of strategic mitigation measures. In June 2019, the partnership was announced as the winner of the National Planning Awards ‘Planning for the Natural Environment’ award. In September 2020 the Partnership was announced as the winner of the Institute of Environmental Management and Assessment Awards ‘Best Sustainability Campaign, Public Sector’. The Solent Recreation Mitigation Strategy annual reports are available online and provide more detail on the spending of the contributions received.