

# **Fareham Borough Council Annual Infrastructure Funding Statement**

**For  
Community Infrastructure Levy and Section  
106**

**Reported Period:  
From 1 April 2020 to 31 March 2021**

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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, in line with the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019 (shown in Annex A). The report covers the financial year 1 April – 31 March 2021.
2. Fareham seeks developer contributions through the Community Infrastructure Levy (CIL) and Section 106 agreements (also known as “planning obligations”).

### Community Infrastructure Levy

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 website<sup>1</sup>.
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 a neighbourhood portion of CIL which is passed to parish councils in the area and linked to the presence of a made neighbourhood plan. In unparished areas, there is no neighbourhood portion and instead, the CIL charging authority can spend equivalent amounts in the locality, following engagement with local communities.

### Section 106 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 and 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.

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<sup>1</sup> [http://www.fareham.gov.uk/planning/local\\_plan/cil.aspx](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

6. Once a commencement notice (signifying the start of development) has been received, the Council will issue a demand notice and invoice. The demand notice sets out the date that CIL must be paid by. The total value of demand notices issued in the reported period was £172,611.15. Of this amount £3,758 is from surcharges imposed due to breaches of the CIL Regulations. Some surcharges were agreed to be written off in the period, due to economic circumstances.
7. The total amount of CIL receipts collected within the reported period totals £117,981.20.
8. As of July 2020 (four months into the reported period), the Community Infrastructure Levy (Coronavirus) (Amendment) (England) Regulations 2020 were introduced to supplement the financial measures that the government put in place to help small and medium sized businesses during the coronavirus pandemic. They give CIL charging authorities the discretion, for a limited time (in certain prescribed circumstances and if it is considered appropriate), to defer CIL payments, and to disapply late payment interest. There is also discretion to credit interest already charged to developers. Fareham Borough Council instigated a CIL deferral process when issuing Liability Notices (Annex B), which are issued at the point of permission and set out the amount the developer must pay for CIL for the development. This deferral process is likely to have had an impact on CIL receipts collected in the reported year.
9. The total amount of CIL invoiced prior to the reported period is £10,300,282.
10. The amount of CIL receipts collected prior to the reported period (i.e. from May 2013-April 2020), totals £9,745,163 and includes payments in kind such as land.

#### Expenditure

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

**Table 1: Total CIL expenditure 2020/21**

Type	Expenditure
Admin CIL	£0
Neighbourhood CIL	£0
CIL Land Payments	£0
Other CIL Cash	£258,658.64
<b>Total Value</b>	<b>£258,658.64</b>

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

**Table 2: CIL expenditure on projects 2020/21**

<b>Infrastructure</b>	<b>Date</b>	<b>Amount</b>	<b>Description</b>
New Fareham Arts Venture	2020-21	£ 248,014.95	Capital expenditure to deliver the new arts and entertainment facility in Fareham.
Holly Hill Cemetery Extension	2020-21	£ 10,643.69	Extension to Holly Hill cemetery to provide an extra 350 burial spaces
		<b>£258,658.64</b>	

13. The Council maintains a spending priority list (Annex C), previously known as Regulation 123 list. This sets out the types of projects on which CIL will be spent. The Council's Executive agreed in July 2018 to commit future CIL receipts to the future development of Ferneham Hall<sup>2</sup>. The Council's Executive has further agreed on 30 September 2021<sup>3</sup> to continue to allocate future CIL receipts to the same project, now termed the new Fareham Arts Venture, or Fareham Live.
14. The Council's reserve balance currently earmarked for Fareham Live is £5,544,760 (excluding the £248,000 spent in the reported period), an increase of £1m from the start of the project, meaning the remaining £12.675m project cost will require the Council to commit future CIL receipts of £6.875m to the project (considering the amount of £675,000 already spent). This expenditure is significantly lower than estimated when the project started, and based on development projections within the Borough, it will take 5 – 8 years to receive sufficient CIL receipts to repay the borrowing.
15. 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.
16. The amount of CIL passed to any local council under regulation 59A or 59B is £0.
17. The amount of CIL passed to any person under regulation 59(4) is £0.
18. The total amount of CIL funding retained at the end of the reported period is £5,544,760 (excluding the £248k spent on Fareham Live in the reported year). This figure does not include any unpaid invoices as at 31<sup>st</sup> March 2021 in relation to CIL.

<sup>2</sup> <https://moderngov.fareham.gov.uk/documents/s20873/Ferneham%20Hall.pdf>

<sup>3</sup> <https://moderngov.fareham.gov.uk/documents/s28757/FINAL%20-%20Restarting%20of%20the%20remodelling%20of%20Ferneham%20Hall.pdf>

## Section 106 Matters

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

19. 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.

### Income

20. During the reported year 1 April 2020 to 31 March 2021 there were six Section 106 agreements signed. The total amount of money to be provided under the planning obligations entered during the reported year is £3,928,662. This figure includes Highways and Education contributions which are paid to Hampshire County Council as Highway Authority and Education Authority respectively. The figure does not consider indexation (inflation/deflation) that may be applied when the money becomes due. Excluding Highways and Education, the total value of planning obligations entered during 2020/21 was £2,266,219.

21. The section 106 contributions secured in 2020/21 are as follows:

**Table 3: Section 106 obligations in agreements signed in 2020/21**

<b>Agreement Date</b>	<b>Application No</b>	<b>Address</b>	<b>Type</b>	<b>Financial Obligation</b>
17/02/2021	P/17/0752/OA	Land East of Brook Lane, North of Warsash Road Brook Lane Warsash	Play Area	£70,000.00
17/02/2021	P/17/0752/OA	Land East of Brook Lane, North of Warsash Road Brook Lane Warsash	Play Area Maintenance	£38,000.00
27/01/2021	P/18/1413/OA	Land to East of 246 Botley Road Burridge Southampton	Affordable Housing	£106,537.00
20/01/2021	P/18/0107/OA	Land to the East & West of 79 Greenaway Lane Warsash Southampton	Affordable Housing	£122,760.00
20/01/2021	P/18/0107/OA	Land to the East & West of 79 Greenaway Lane Warsash Southampton	Affordable Housing	£40,920.00
20/01/2021	P/18/0107/OA	Land to the East & West of 79 Greenaway Lane Warsash Southampton	Solent Recreational Mitigation Partnership (SRMP)	£927.00
20/01/2021	P/18/0107/OA	Land to the East & West of 79 Greenaway Lane Warsash Southampton	Affordable Housing	£40,920.00

20/01/2021	P/18/0107/OA	Land to the East & West of 79 Greenaway Lane Warsash Southampton	Affordable Housing	£40,920.00
20/01/2021	P/18/0107/OA	Land to the East & West of 79 Greenaway Lane Warsash Southampton	Solent Recreational Mitigation Partnership (SRMP)	£927.00
30/09/2020	P/18/0592/OA	Egmont Nurseries Brook Avenue Warsash Southampton	First Affordable Housing	£143,154.00
30/09/2020	P/18/0592/OA	Egmont Nurseries Brook Avenue Warsash Southampton	Second Affordable Housing Instalment	£143,154.00
02/09/2020	P/18/0067/OA	Land to the South of Funtley Road Funtley Fareham	Play Area	£70,000.00
02/09/2020	P/18/0067/OA	Land to the South of Funtley Road Funtley Fareham	Off Site Community Use Building	£500,000.00
02/09/2020	P/18/0067/OA	Land to the South of Funtley Road Funtley Fareham	Community Park Maintenance	£802,000.00
02/09/2020	P/18/0067/OA	Land to the South of Funtley Road Funtley Fareham	Play Area Maintenance	£38,000.00
16/07/2020	P/18/0068/OA	Land East of Southampton Road Titchfield Fareham	Open Space - Play Area	£38,000.00
16/07/2020	P/18/0068/OA	Land East of Southampton Road Titchfield Fareham	Open Space Maintenance	£70,000.00

22. The total amount of money received from planning obligations during the reported year was £83,694, received from one application at Land to the East & West of 79 Greenaway Lane Warsash Southampton (P/18/0107/OA):

- £81,840 for Affordable Housing Contribution
- £1,854 for Solent Recreation Mitigation Partnership (Annex D)

23. 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 132.
- ii. The total number of new education places to be provided is 0 (the equivalent of 42 places have been secured as a financial contribution towards education provision, paid directly to Hampshire County Council who produce their own Infrastructure Funding Statements available on their [website](#))

24. There were no other non-monetary obligations agreed within the reported year.

## Expenditure

25. The following section reports on money from Section 106 agreements spent or allocated to a project during the reported year. This relates to any money from any agreements, irrespective of what year the agreement was signed. Within any reported period, projects either have money spent on them or allocated to them (if they are larger projects that require contributions from several developments).
26. The following projects have had money allocated towards them during the reported year. Allocated money that remains unspent at the end of the reported year is also shown:

**Table 4: Section 106 allocated money in 2020/21**

Infrastructure	Cumulative total allocated to projects (all years)	Unspent
Abbey Meadows Play area	£95,100	£95,100
CCTV	£106,238	£6,990
Solent Enterprise Zone business development resource	£200,000	£200,000
Solent Wader and Brent Geese Strategy mitigation	£57,000	£57,000
Portchester Town Centre improvements	£117,590	£104,399

27. In relation to the money that has been spent during the reported year, the following projects have been funded:

**Table 5: Section 106 money spent in 2020/21**

Infrastructure	Spent in year	Date Spent	Spend Description
Daedalus Gate Guardian	£7,400	Dec 2020 Feb 2021	Installation and specialist engineering services
Daedalus Common Play Area	£100,000	July 2020 October 2020	Play Structures provided by Eibe
Daedalus Common Play Area	£2,714	March 2021	Daedalus works, gates and fences near the play area
CCTV	£8,000	2021	For the provision of CCTV Broadlaw Walk & Tesco
Portchester Town Centre improvements	£13,191	Feb - March 2021	Professional services in connection with the civil design. Surveys, Investigations, chemical testing
Temporary Posts	£53,000	March 2021	Public Spaces Technicians
Land transferred to Council at Bell Davies Road Stubbington	£650	March 2021	Outstanding drawdown from P/10/0540/FP
<b>Total</b>	<b>£184,995</b>		

28. There was no planning obligation money spent on repaying money borrowed in the reported year.



29. There was no planning obligation money spent in respect of administration of planning obligations and monitoring in relation to the delivery of planning obligations.
30. The total amount of money retained at the end of the reported year is £5,974,211, including c. £1.9m for leisure projects and c.£2.3m for open space maintenance. This figure also includes the unspent monies referenced in table 4.

## **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: CIL Commencement and Deferral of Payment

Dear XXX

**CIL Liability Notice for application – P/yy/nnnn/XX**

**XXXXXXXXXXXXXXXXXXXX, Fareham**

Please find attached the CIL Liability Notice nnn issued dd-mmm-yy and posted to you/your client for the above development.

May I bring to your attention the CIL deferral process, which is available if a developer with an annual turnover not exceeding £45 million is experiencing financial difficulties because of the effects of the coronavirus.

**Please be aware that if the development is to start prior to 2<sup>nd</sup> April 2021 AND a Commencement Notice has been submitted** then The CIL Payment Deferral under Regulation 72A of The Community Infrastructure Levy (Coronavirus) (Amendment) (England) Regulations 2020 would be applicable.

You would need to make a deferral request once in receipt of the Demand Notice, and no earlier than 14 days before the payment due date, and as soon as practicable. A deferral request may then be granted for 6 months and a revised Demand Notice will be issued.

Basically, complete and return the Commencement Notice and let me know before the payment due date if you/your client would like to request a payment deferral.

Best regards

## **Annex C: The (CIL) Infrastructure List**

The Council's current CIL spending list (formerly Regulation 123 list) is as follows (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 particular 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.

## **Annex D: Solent Recreational Mitigation Partnership (SRMP) 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](http://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 2021](#) describes the progress made during 2020/21 and sets out the plans for 2021/22. During 2020/21, a total of £42,313 was received from developers by the partnership from development in Fareham. The majority of this money is received through Section 111 (Local Government Act 1972) agreements and is therefore not recorded under section 106 planning obligations. Set out below is an overview of the mitigation projects supported in the 2020/21 reported year through the use of pooled developer contributions and further details can be found in Appendix 1 of the Annual Report 2021.

### **Bird Aware Solent – 2020/21 projects**

<b>2020/21 mitigation measure</b>	<b>Developer Contribution</b>
<p><b>Team of full time and seasonal rangers</b> 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>	£287,038
<p><b>Monitoring</b> 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>	£42,943
<p><b>Information, Marketing and Communications</b> 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>	£44,825

Developer contributions in 2020/21 were also spent on the Partnership Coordination Officer post (£34,543). 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 – 2021/22 projects**

The fourteen local planning authorities within the Solent’s 5.6km catchment area are continuing to pool developer contributions. Contributions will be used to fund the implementation of mitigation measures and associated costs including the part-time Partnership Manager. Further details are available in Appendix 3 of the Annual Report 2021 and the headlines are set out below.

2021/22 mitigation measure	Developer Contribution
<p><b>Team of full time and seasonal rangers</b>  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 &amp; Isle of Wight Wildlife Trust and others).</p>	£287,000
<p><b>Monitoring</b>  Undertaking the next phase of data collection to monitor the effectiveness of the mitigation measures.</p>	£30,000
<p><b>Information, Marketing and Communications</b>  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>	£70,000
<p><b>Dog Initiatives Lead</b>  Recruiting a dedicated Dog Initiatives Lead officer to implement initiatives to encourage responsible dog walking</p>	£50,000
<p><b>Site Specific Projects</b>  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 &amp; Isle of Wight Wildlife Trust.</p>	£400,000