

## **CIL Preliminary Draft Charging Schedule**

### **SUMMARY OF REPRESENTATIONS RECEIVED AND PROPOSED RESPONSES**

## Summary of Representations Received and Proposed Responses

### **Introduction**

Gosport Borough Council conducted consultation on the Preliminary Draft Charging Schedule and its supporting evidence for 6 weeks ending on 25<sup>th</sup> November 2013. The documentation was placed on the Council's website and placed in the Council Offices and the local libraries. In addition notifications were sent to individuals, organisations and interested parties who are on Council's LDF consultation database. The Council received 19 representations from individual, organisations and interested parties.

Representations were received on preliminary draft charging schedule and the supporting evidence. The analysis has been separated into five sections:

1. Preliminary Draft Charging Schedule
2. CIL Viability Report
3. Draft Regulation 123 List
4. Infrastructure Delivery Plan
5. Infrastructure Assessment Report

Summary of Representations Received and Proposed Responses

1. CIL Preliminary Draft Charging Schedule - Response Table

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
P1	Advanced Marine Innovation Technology Subsea Ltd	<p>Section 8.2 states that there is no CIL charged where the development relates to change of use.</p> <p>Does this mean that a developer can redevelop what is currently industrial / employment ground to housing use without incurring the CIL?</p> <p>My comment as the owner of a company that has been endeavouring to expand in Gosport is that this will only further exacerbate the over-valued status of industrial ground.</p> <p>By not charging CIL on a change of use from employment to housing makes holding out for high prices followed by a change of use application a viable high profit option for property developers.</p> <p>I would suggest that any property conversion from employment industrial / office to housing should attract the top rate CIL.</p>	<p>Further guidance has been issued in 2014 by the Government clarifying which forms of development are exempt from CIL.</p> <p>A development which would result in a change of use from employment to residential would be liable to CIL.</p> <p>The Draft Charging Schedule has been revised to indicate which forms of development are exempt.</p>
P2	Homes and Communities Agency	No comments	Noted. However HCA have made comments via Carter Jonas (see Ref No.P16)
P3	Marine Management Organisation	No comments	n/a
P4	English Heritage - South East	<p>English Heritage advises that CIL charging authorities identify the ways in which CIL, planning obligations and other funding streams can be used to implement the policies within the Local Plan aimed at and achieving the conservation and enhancement of the historic environment, heritage assets and their setting.</p> <p>We suggest that the Borough Council should consider whether any heritage-related projects within Gosport Borough would be appropriate for CIL funding. Your Local Plan's evidence base may</p>	<p>The Regulation 123 list and the Planning Obligations and Developer Contributions Strategy recognise the scope for CIL or planning obligations to contribute to heritage assets.</p> <p>The Planning Obligations and Developer Contributions Strategy recognises that planning obligations can be used for other</p>

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p>demonstrate the specific opportunities for CIL to help deliver growth and in so doing meet the Plan's objectives for the historic environment.</p> <p>The Council should also be aware of the implications of any CIL rate on the viability and effective conservation of the historic environment and heritage assets in development proposals.</p> <p>In setting the CIL rate the conservation of its heritage assets should be taken into account so as to safeguard and encourage appropriate and viable uses for the historic environment.</p> <p>We consider it essential, therefore, that the rates proposed in areas where there are groups of heritage assets at risk are not such as would be likely to discourage schemes being put forward for their re-use or associated heritage-led regeneration. In such areas, there may be a case for lowering the rates charged.</p> <p>In addition, we are encouraging local authorities to assert in their CIL Charging Schedules their right to offer CIL relief in exceptional circumstances where development which affects heritage assets and their settings may become unviable it was subject to CIL.</p> <p>For clarity, we would recommend that if such exceptional circumstances are recognised, following guidance set out in the Community Infrastructure Levy Relief Information Document (2011), the conditions and procedures for CIL relief be set out within a separate statement following the Charging Schedule. The statement could set out the criteria to define exceptional circumstances and provide a clear rationale for their use, including the justification in terms of the public benefit (for example, where CIL relief would enable the restoration of heritage assets identified on English Heritage's Heritage at Risk Register).</p> <p>It should also be remembered that development-specific planning obligations may still continue to offer further opportunities for funding improvements to and the mitigation of adverse impacts on the historic environment, such as archaeological investigations, access</p>	<p>purposes such as those identified by English Heritage.</p> <p>The Viability Report made an allowance for abnormal costs and it is not considered that a lower charging rate should be introduced for heritage assets.</p> <p>The Borough Council will consider this matter under the exemptions provisions as set out in the CIL regulations and will set out a protocol dealing with this matter outside of the charging schedule.</p> <p>The Planning Obligations and Developer Contributions Strategy addresses this issue.</p>

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		and interpretation, and the repair and reuse of buildings or other heritage assets.	
P5	Gosport Society	The only comment we would submit on this consultation is to question why hotels and industrial units are exempted from the proposed levy. Both of these put pressure on the local infrastructure, probably more so than domestic property. We do not subscribe to the view that the exception creates jobs. We believe the same levy should be applied to both categories.	The Council's Viability Report concluded that that it was not economically viable to charge CIL on hotels and industrial units
P6	The Theatres Trust	<p>We support paragraph 9.4.8 which proposes a zero rate for all community facilities. As it is not clear what is meant by the term 'community facilities' we suggest a description is included for clarity in the paragraph along the lines of: The function of community facilities is to provide services and access to venues for the health and wellbeing, social, educational, spiritual, recreational, leisure and cultural needs of the community.</p> <p>Theatre uses are generally unable to bear the cost of CIL for viability reasons. However, due to the unique nature of their use, access requirements, and construction they make a positive contribution to the provision of cultural infrastructure in an area, and their development makes a positive net contribution to that area's infrastructure.</p>	A definition of community facilities will be included in the draft Charging Schedule
P7	Southern Water	Southern Water believes that the CIL is not designed to include utility infrastructure, such as local sewers and associated facilities (e.g. pumping stations). On this basis, it is not appropriate for the company to comment on the specifics of the CIL proposals. However, it would be helpful if this document could recognise that developer contributions towards local infrastructure may be required, which are additional to the CIL and S106 planning obligations.	The Council has prepared Planning Obligations and Developer Contributions Strategy to accompany the Charging Schedule.
P9	Defence Infrastructure Organisation	I note that the City Council is proposing to charge CIL only on retail warehousing, supermarket and residential development. I support the Council's decision to exclude other uses from the proposed CIL charge and in the absence of the inclusion in your Schedule of Secure Residential Institution Use (C2A), I have assumed this use will also be zero-rated to be consistent with the zero-rating of Hotel and Student Accommodation development.	There is no intention of charging Secure Residential Institution Uses (C2A) the Levy.

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p>Of the two uses on which the Council does intend to impose a levy on, only the inclusion of residential has the potential to impact on MOD projects. You will be aware that married Service personnel often occupy rented accommodation owned by MOD, known as Service Family Accommodation (SFA) and the development of that accommodation would, potentially, be subject to CIL under the preliminary Draft Charging Schedule. However, MOD believes that there are particular reasons why the development of SFA should be exempt from the CIL charge or subject to a significantly discounted rate. Those reasons are based on the characteristics of SFA and the lower demands likely to be made on community infrastructure by occupiers of SFA.</p> <p>The CIL viability study recognised that the Affordable Housing provision reduced a development's viability and this is particularly relevant to SFA. As with affordable housing, SFA is developed and held only to address a specific housing need, rather than with the intention of making a profit through the sale of the dwellings. In this instance, it is intended to address the needs of Service personnel, a recognised group of Key Workers. Rental levels are heavily subsidised by MOD and are generally lower or equivalent to those charged by Registered Social Landlords.</p>	<p>The Councils' viability consultants have investigated this issue and in their addendum to the Viability Report they have concluded that it not viable to charge CIL on Service Family Accommodation.</p>
P11	A resident	<p>The Schedule seeks to differentiate between residential developments on the basis of whether or not the development will provide on-site social housing.</p> <p>Regulation 13 of the CIL Regulations only permits differentiation on the basis of (a) zones or (b) the intended use of the development. With or without the provision of social housing, the use of a site would still be residential. In my view therefore, the DPCS as it currently stands, does not comply with the CIL Regulations.</p> <p>Secondly, the Schedule does not make it clear whether the residential rate only applies to dwellings or also to other residential uses falling with the various C class uses set out in the Use Classes</p>	<p>The Regulations have been further amended and allows differentiation on the numbers of dwellings. As the Local Plan' policy on affordable housing is triggered by dwelling size. It is proposed to change the definition of zones by reference to dwelling size.</p> <p>It is intended that the charge applies to Class C3 dwelling houses. This will be clarified.</p>

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p>Order such as care homes.</p> <p>Thirdly, the plan that shows the four charging zones does not comply with CIL Regulation 12(c)(iii) in that it does not show the National Grid Lines. I believe that the plan, due to its small scale and lack of detail, does not show with sufficient certainty into which zone a particular site may fall when it is near the boundary of two zones.</p>	<p>The Plan will be amended.</p>
P12	Hampshire County Council	<p><b>Extra Care housing</b></p> <p>The requirement for Extra Care housing development is recognised in the Draft Infrastructure Delivery Plan (P5), which identifies that there is likely to be a need for up to 243 units of Extra Care housing in Gosport Borough in the period to 2025. By their nature, Extra Care developments will have a significant proportion of their total floorspace given over to communal areas, service areas and care facilities. Extra Care housing developments are likely to have different funding arrangements than other residential developments, and will need to be assembled from a range of public and private sources, of which the County Council will be one.</p> <p>It is noted that the viability assessment has not specifically look at Extra Care housing. This is specialist provision defined as “purpose-built accommodation in which varying amounts of care and support can be offered and where some services are shared.” Schemes can combine a range of tenures and, as such, the private units can provide some cross-subsidy to the affordable. It is likely that some Extra Care development will fall partly within Class C3 and partly within C2. Therefore, if the Borough Council makes all Class C3 development liable to CIL then some Extra Care housing development will be liable for the charge. For the avoidance of doubt, it is therefore important that the Charging Schedule is explicit about the rate that is applicable for this type of development.</p>	<p>The Councils’ viability consultants have investigated this issue and in their addendum to the Viability Report they have concluded that it not viable to charge CIL on extra care and sheltered accommodation within Use Class 2.</p> <p>It further considered that Extra Care within the public sector which is designed to meet an identified need should benefit from the affordable housing exemption and therefore no CIL charged. The consultants suggest that a Section106 could be secured to ensure that these units remain as public/social provision.</p>
P13	Environment Agency	<p>We have no comments to make on the schedule or the supporting infrastructure documents. We are however pleased to see that flood risk management and green infrastructure have been identified both in the Infrastructure Delivery Plan and Regulation 123 list.</p>	<p>Noted</p>
P14	Barton Willmore on behalf of Milln Gate Gosport LLP	<p>Millngate objects to the Preliminary Draft Charging Schedule on the following grounds:</p> <ul style="list-style-type: none"> <li>• The proposed ‘Retail Warehouse and Supermarkets’ Rate cannot</li> </ul>	<p>see comments on viability study</p>

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p>be justified based on the limitations of the Report forming the Evidence Base.</p> <ul style="list-style-type: none"> <li>• The proposed 'Residential' Rate cannot be justified based on the limitations of the supporting Report forming the Evidence Base.</li> <li>• The Report forming the Evidence Base only provides a limited assessment of the maximum viable rate for Retail development and has an insufficient relationship with development and flexibility.</li> <li>• The Charging Schedule fails to offer any guidance on Discretionary Relief for Exceptional Circumstances, Phasing Payments and inadequate details of project funding in the 123 List.</li> </ul>	<p>see comments on viability study</p> <p>see comments on viability study</p> <p>The draft charging schedule does not have to provide details of exceptional circumstances, phasing of payments. The project funding does not need to be listed in draft 123 list.</p>
P15	Barton Willmore on behalf of Berkeley Homes (Southern) Ltd	<p>At this stage, having undertaken a high level review of the evidence, we have identified above a number of fundamental concerns regarding the approach and methodology adopted in preparing the PDCS. These are summarised as follows:</p> <ul style="list-style-type: none"> <li>• the appropriate evidence required to support the implementation of the levy does not include an up-to-date relevant Plan for the area, as required by paragraph 11 of the CLG guidance;</li> <li>• there is insufficient infrastructure planning evidence to demonstrate there is an identified funding gap to justify the implementation of CIL within the Borough, as required by paragraphs 12 to 16 of the CLG guidance;</li> <li>• the Viability Report has failed to take account of other development costs in determining its proposed charging rates, as required by paragraph 29 of the CLG guidance. Even if it is argued that the recommendations within the Viability Report do take these into account, these are not reflected within the PDCS as the recommended figures are for 'overall developer contributions' and not the proposed Charging Rates;</li> <li>• the Draft Regulation 123 list is based on inadequate infrastructure planning evidence and as a result will not provide clarity or</li> </ul>	<p>The draft Charging schedule will not be examined until the Gosport Borough Local Plan (2011-2029) has been examined.</p> <p>The funding been shown in the draft charging schedule.</p> <p>See Viability report comments</p>

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p>transparency to developers about what they will be expected to pay and by which route, raising concerns about potential 'double-dipping' – this would not accord with paragraphs 85 to 87 of the CLG guidance. Furthermore, as drafted it is in conflict with paragraph 88 of the CLG guidance which advises against seeking site-specific contributions via S106 where generic items are included within the Regulation 123 list</p> <ul style="list-style-type: none"> <li>• the Viability Report has failed to undertake sufficient direct sampling of an appropriate range of types of sites expected to come forward within its area, particularly brownfield sites that are likely to be common within the Borough, as required by paragraph 27 of the CLG guidance</li> </ul>	<p>The draft 123 list is based on adequate infrastructure evidence. The Council has prepared Planning Obligations and Developer Contributions Strategy which fully considers the issue of 'double dipping'.</p> <p>See Viability report comments</p>
P16	Carter Jonas on behalf of the Homes and Communities Agency	<p>These comments relate to the HCA's interest at Daedalus. The authority is proposing to charge a rate of £100 per sq m for residential developments within the area within which Daedalus is located. This includes schemes for which full provision is to be made for affordable housing. At this stage, the HCA has two observations on this proposal.</p> <p>First, is it reasonable to charge the same amount for schemes that provide affordable housing as those that do not? On the basis the latter scheme is more viable than the former, surely a different rate would apply?</p> <p>Second, given the EZ designation affecting part of the area, would it not make more sense to exclude the EZ land from the designation? This could be achieved with an amendment to Appendix 1 (Map of CIL Residential Charging Zones). It is acknowledged that the EZ designation relates to employment uses, however given the objective to create a mixed use community within Waterfront, the HCA considers that a strong case can be made to make this change and encourage mixed use development within this area.</p>	<p>Based on the evidence in the Viability Report it is reasonable to charge the same rate. As it established that schemes with affordable housing will be viable at the £100 per sq m rate.</p> <p>The primary objective of the Enterprise Zone is to promote economic development and it would not be appropriate to exclude the EZ from the charging zones. To do so may encourage further residential development and compromise the overall objectives for the Enterprise Zone.</p>
P17	Gosport Allotment Holders and Gardeners Association	<p>The Allotment Association recognises the proposed CIL will provide a welcome source of funding for the provision and maintenance of Allotment Sites. Unlike adjacent Councils, Gosport has never had a funded programme of investing in allotment infrastructure and it is</p>	

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p>pleasing to note that introducing the CIL provides a means to remedy this.</p> <p>We note in the supporting documentation there is only passing reference to Allotments and there is no mention whatsoever in the Infrastructure Delivery Plan. It is suggested this should be corrected and updated to show the requirement for new land for allotments and on-going investment to provide Toilet Facilities on most sites, Boundary security updating/replacement, water distribution renewal and flood mitigation particularly at Rowner and Elson Allotment Sites.</p>	<p>This matter will be considered in the Infrastructure Assessment Report, the Infrastructure Delivery Plan and in Regulation 123 list</p>
P18	Eastern Solent Coastal Partnership	<p>We are pleased to see that flood risk management infrastructure is one of the areas considered under the Draft Regulation 123 List that Gosport Borough's CIL may be used to fund.</p> <p>The Coastal Partnership therefore gives its support to the content of the document and has no further comment on the CIL consultation documents.</p>	Noted
P19	A resident	<p>The timing of these proposed changes is unfortunate, given the possibility that business rates are under active consideration for abolition or reform. Will abolition or reform of business rates necessitate any review of CIL?</p> <p><u>Para 1.2</u> – The authority for CIL is claimed from four sets of Regulations, rather than original Statute. The consultation is therefore happening in the context of an incomplete picture. Reliance on Regulations alone also implies more centralisation, because Regulations are much quicker to amend than primary Statute.</p> <p><u>Para 3.3</u> – The involvement of an Inspector on finalisation of the Council's Schedule alerts the onlooker to the real reasons for CIL, namely to speed up development, even against the Council's wishes as LPA. The use of a Government Inspector to determine the Council's charges is in itself a novelty in centralisation, and the Council could be burdened with a schedule it does not want, meaning that the Council's position as Local Planning Authority is undermined by substantive loss of its present freedoms and discretions under the Section 106 process.</p>	<p>CIL is independent of business rates.</p> <p>Reference to the Planning Act 2008 can be made but the charging schedule has to be in accordance with the regulations.</p> <p>The regulations stipulate that the draft charging schedule has to be examined by an inspector.</p>

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p><u>Para 4.1 – Last Sentence</u> – This states that CIL is to benefit users of new developments only, meaning existing residents are left out. Yet Para 6.1 directly contradicts 4.1, in implying CIL is in response to pressures on existing infrastructure (line 1) including roads and public transport, services and community facilities and on the environment generally? Para 9.2.1 further confuses, claiming that the IAR Infrastructure Assessment Report sets out key issues relating to infrastructure in the Borough including current and proposed facilities as well as identifying key requirements to support both existing and new development.</p> <p><u>Para 12</u> – What CIL will be spent on seems to relate development to existing infrastructure, not infrastructure for new developments. Is the scheme to deal with proposed infrastructure or existing infrastructure? Which is it?</p> <p>If it is to relate to existing infrastructure as well, the implication is that infrastructure for existing developments is deficient, undermining the justification for new developments.</p> <p><u>Para 4.3</u> – This comments CIL is not intended to pay for all infrastructure, instead it will assist in filling the gap between the cost of infrastructure and other sources of funding? Apart from admitting a gap will remain, is this gap to be filled by business rates alterations? How will the Council's accounts reflect this anticipated gap and how will this gap be monitored and managed?</p> <p><u>Para 7.1</u> – I note that CIL will be collected by GBC, but then shared with Hants County Council. This is a recipe for bureaucracy and inter-local authority argument, since both authorities will be simultaneously seeking to maximise their share.</p>	<p>There is no confusion CIL is intended to contribute towards infrastructure provision that is required as a result of new development. In some case this new infrastructure will also benefit existing residents.</p> <p>Paragraph 4.1 will be clarified. The IAR looks at all the infrastructure in the Borough so that a full and proper assessment can be made.</p> <p>Paragraph 12 does not suggest that CIL will be spent on existing infrastructure. It is to be spent on infrastructure that is required to support new development as set in the CIL Guidance (page 38).</p> <p>It is not intended that the gap will be filled by business rates. The Council along with its partners will seek to identify alternative funding streams.</p> <p>Some of the infrastructure will be provided by HCC so it is appropriate that a proportion of CIL is allocated to HCC. GBC will determine the allocation.</p>
P19	A resident	<p><u>Paras 9.2.2/9.2.5</u> – These emphasise the intention to render development easier and imply centralisation against the wishes of the Council as LPA.</p> <p><u>Para 9.2.5</u> – The anticipated funding gaps for indicative infrastructure requirements question the reliability of the figures shown. Table 1 admits that some figures cannot yet be quantified. If this is the case, what collective procedures will be in place to cover shortfalls?</p> <p><u>Footnote 2 top page 5</u> – This identifies an expectation of development in South Gosport. Why? This is an area already urbanised. I hope this does not induce development at Browndown</p>	<p>Proposals for development will still need to be considered through the normal planning process.</p> <p>The Council along with its partners will seek to identify alternative funding streams</p> <p>HCC have identified that there are potential pressures at primary schools in South Gosport and that it is likely that new development would</p>

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
			need to contribute towards additional places. The Schedule does not allocate sites for development that is the role of the Local Plan.
P19	A resident	<p><u>Para 9.3.2</u> – The document hopes that the proposed level of CIL does not place an undue burden on new development. So how real is the wish for infrastructure provision? Is the whole CIL set-up a cover to enable large scale developments using existing infrastructure alone?</p> <p><u>Para 9.3.4</u> – The margin of viability is a recipe for corruption and political favouritism by relating the decision-making process to the profitability of schemes and on whether affordable housing is to be included.</p> <p><u>Paras 13.2, 3 &amp; 4</u> – If the S.106 procedure is to remain available why are all these changes really necessary?</p> <p><u>Para 14.3</u> – The words “to keep pace with growth” emphasises the real reasons for the CIL scheme, namely to facilitate development, even against the wishes of the LPA. Or will the Council as LPA allow developments without infrastructure? The Council’s first loyalty is to existing residents, not to adhering to government policy, whether publicised or concealed from the public.</p> <p><u>Incomplete Consultation</u> – The documentation appears to limit public consultation to the charging schedule rather than the whole CIL scheme. This is not your fault, but the incompleteness of consultation reminds me of incomplete public consultations of the past, namely on the design of the Millennium Tower as opposed to whether we wanted the Tower at all.</p> <p><u>Draft Charging Schedule Zones</u> – The geographical zones and related financial “burdens” for each zone appear to deter affordable housing in Zone 3, while encouraging it in Zone 1, and to a lesser degree in Zone 2 The Waterfront.</p>	<p>Viability is a key consideration set out in the NPPF and CIL Regulations.</p> <p>The CIL Regulations will in the future restrict the pooling of funds from more than 5 planning obligations under Section 106.</p> <p>It is important infrastructure is provided and that is why CIL is charged.</p> <p>Noted</p> <p>The Local Plan sets out policies for affordable housing which apply across the whole Borough. CIL does not determine where affordable housing will be built.</p>

Summary of Representations Received and Proposed Responses

2. CIL Viability Report: Response Table

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
P14 Barton Willmore on behalf of Milln Gate Gosport LLP		<p><b>Retail Warehouse and Supermarkets</b> The Report includes a series of Development Appraisals (see Appendices 10A-D) for various forms of retail development to inform an assessment of viability and affordability for the proposed Rate. Millngate consider the Appraisal to be unrealistic due to inadequacies in the inputs and assumptions on the following basis:</p>	<p>On behalf of the Council, Adams Integra have met with Barton Willmore and Milln Gate to seek to resolve the issues raised in the representation. Adams Integra have produced and Addendum to their report to address the issues raised.</p>
		<p>• <b>Site Value:</b> we note at paragraph C3.2.3 of the Report that Adams Integra has found very limited evidence of non-residential land transactions in the Borough to reach an adequate judgement for the different use categories. This is reflected in the limited samples provided at Appendix 13 of the Report. This is a very concerning conclusion given the sensitivity that existing site value can have on the viability of development. In this regard, the Borough will be aware that ‘appropriate available evidence’ is to be used to inform the Schedule. As per paragraphs 26-27 of the Guidance a Charging Authority should draw on available existing data and an appropriate sample of sites across the administrative area. The approach and findings of the Report are clearly at odds with the Guidance. In the absence of existing data, the conclusions reached on Existing Site Value within all appraisals are not justified and thus not sound.</p> <p>• <b>Rental Levels:</b> the commentary at paragraphs C5.1-5 of the Report, illustrate the limitations of publically available data on rents particularly in the retail sector. It is therefore essential that the conclusions reached are robust and seek to achieve an appropriate assumption on anticipated rental levels in the Borough. In Millngate’s experience, the rental level quoted for Retail Warehouse schemes are too high. The appraisal also needs to make allowance for incentives that a Developer would provide as part of the rental package in order to attract a potential occupier to a town and scheme. This is particularly significant given present market</p>	<p>Milln Gate have not provided alternative evidence. Adams Integra’s, despite the limited amount evidence available, have reassessed site values in the Addendum.</p> <p>Adams Integra’s have reassessed rental values in the Addendum.</p>

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p>conditions in the Food Retail and Retail Warehouse sectors where occupier demand is low.</p> <ul style="list-style-type: none"> <li>• <b>Building Costs &amp; External Works:</b> the assumption on building costs and external works is too low for the type of scheme that is being assessed. In Millngate's experience, inadequate allowance has been made for the quality of building that retailers and local planning authorities expect from contemporary retail development. No allowance has also been made for external works such as landscaping, public realm and potential abnormal costs such as contamination, reduction in developable area (due to design and other constraints), highway works and demolition costs. In this regard, the 5% contingency allowance is insufficient.</li> <li>• <b>Professional Fees / Planning Costs:</b> in Millngate's experience the allowance for professional fees is inadequate in both the Retail Warehouse and Supermarket appraisals. Greater allowance needs to be provided in the appraisals for pre-application costs due to the emphasis on 'front-loading' the process with community consultation and discussions with decision makers such as the Local Planning Authority and statutory consultee. Adequate allowance also needs to be made for the cost of producing application documents in accordance with the Authority's validation checklist. Such costs are generally higher for Retail projects due to their nature and the number of policy issues that tend to be raised. Aside from planning, both Appraisals also make inadequate allowance for other types of professional fees. For example, no allowance has been made for legal fees in association with the letting of individual units. In Millngate's experience, allowance of at least 5% of the rental value needs to be made.</li> <li>• <b>Development Duration:</b> in Millngate's experience, the durations for both forms of retail development are unrealistically low. Development finance is secured on both the pre-application, application and construction phases of a development. Due to the complicated and lengthy periods that such forms of development can attract, an allowance of at least 36 months should be allowed.</li> </ul>	<p>Adams Integra's have reassessed building costs in the Addendum.</p> <p>Adams Integra's have reassessed professional fees in the Addendum.</p> <p>Adams Integra consider that development finance would normally only be required once the site has been acquired. It would be normal to secure pre-lettings before these types of development were started or detailed planning permission applied for. No further allowance should be made.</p>

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p>• <b>BREEAM:</b> it is unrealistic to set a Rate based on a ‘with’ or ‘without’ BREEAM analysis. It is a clear expectation of the emerging Gosport Local Plan (see Policy LP38) that new development “must” achieve BREEAM rating of ‘Excellent’. This applies to any form of retail development irrespective of the specific goods sold and building form where it is above 500 sq.m GIA. No distinction should therefore be made between development that does and does not provide BREEAM as the latter scenario is very unlikely to occur upon proper application of a policy requirement that is expected to form part of the Development Plan during the lifetime of the Charging Schedule. If the Borough Council were to realistically expect all CIL liable development to be able to proceed (as is the CIL Guidance expectation) then the BREEAM requirement should be removed from the emerging Local Plan.</p> <p>• <b>S106:</b> no allowance is made for potential residual S106 Obligations cost following the adoption of CIL. This is justified at paragraph C7.4 of the Report on the basis that CIL will replace S106 / 278 contributions in respect of general infrastructure provision funding. It does however add that S106 and S278 can still be used by a Council where the items are already not accounted for in the 123 List in order to avoid ‘double-dipping’. In this regard, the Draft Regulation 123 List refers to a series of infrastructure projects and improvements that will be funded by CIL to ensure there is no ‘double-dipping’. These are generally ‘offsite’ improvements which may or may-not be related to the effect of development</p> <p>In order to provide an appropriate assessment of existing and post CIL liability, the evidence base development appraisal should therefore include an allowance for potential S106 costs within a typical development. Millngate recommends the appraisal includes an allowance for a typical S106 contribution either as a stand-alone land use or a mixed use development.</p>	<p>Since the consultation on the preliminary draft Charging Statement the Government published the Housing Standards Review which radically changes how Code for Sustainable Homes and BREEAM will operate in future with the emphasis passing to building regulations rather than the planning system. Consequently policy LP38 sustainable construction has been deleted in the Local Plan.</p> <p>Allowances have been made for the planning costs over and above other non-residential uses. This has been in recognition of the high impact retail warehousing and supermarkets have on the infrastructure. It is a generic allowance and it is not appropriate to allow for site specific demands which would be negotiated through the section 106 system in the normal way.</p> <p>The Council has produced a Planning Obligations and Contributions Strategy which addresses the issues of ‘Double Dipping’.</p>
P14	Barton Willmore on behalf of Milln Gate Gosport LLP	<p><b>Residential</b></p> <p>The Report also includes a series of Development Appraisals (see Appendices 1-7) for residential development to inform an assessment of viability and affordability for the proposed Rate.</p>	

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p>These Appraisals are unrealistic due to inadequacies in the inputs and assumptions on the following basis:</p> <ul style="list-style-type: none"> <li>• <b>Sales &amp; Marketing Costs:</b> the quoted sales and marketing rate within the Appraisals is unrealistically low at 3%. In Millngate's experience, this should be increased to 6% which is consistent with the HCA EVA toolkit guidelines.</li> <li>• <b>Professional Fees:</b> the allowance for professional fees within the appraisals is too low and generalised given the differing scale of scheme that could occur throughout the Borough. This should be increased to 12% to make appropriate allowance for the costs of promoting development, particularly for larger strategic projects.</li> <li>• <b>House Types:</b> the mix quoted in the appraisals is unrealistic. In Millngate's experience this should also include a wider variation of mixes and scheme types including lower density schemes providing predominantly 3 and 4 bedroom units. This offers a more realistic profile of the type of schemes that will be delivered in the local area to meet market requirements during the Local Plan and CIL periods.</li> <li>• <b>Site Specific Issues:</b> The Development Appraisals should include or make allowances for sites with specific viability implications. This can include larger sites where there is a greater likelihood of strategic infrastructure and / or extensive enabling works being required.</li> <li>• <b>Development Profit:</b> the level of developer's profit in the appraisal is too low by differentiating affordable from private market housing and applying a lower profit level to the former. A financial institution will only accept a 20% profit on GDV for any form of development whether it is private or affordable housing. The assumption that Registered Providers (RPs) of Affordable Housing accept a lower profit on GDV is now outdated. A lower profit level was accepted and originally set by RPs to assist in preparing bids for HCA Grant Funding. Such Funding has now been removed and in light of the risks associated with development, RPs now generally seek a 20% profit level in order to secure an acceptable level of viability and</li> </ul>	<p>Adams Integra in their Addendum believe that 3% is consistent with the assumptions of other consultants but have tested 5% value but this did not merit a change to recommended CIL rates.</p> <p>Adam Integra in their Addendum consider that their allowance for professional fees is reasonable.</p> <p>The mix quoted is realistic give the urban form of Gosport and the likely mix of development that is likely to come forward.</p> <p>Adams Integra in their Addendum have allowed a buffer for abnormal costs and allowed a sum for site preparation. It is inevitable that some sites will have abnormal costs specific to them but this cannot be address in a study of this nature.</p> <p>Adams Integra based their 6% profit figure for affordable housing from the adopted Portsmouth viability study. It is assumed that a developer will build affordable units and he is paid by a registered provider for each unit upon build completion. In this event ,there is a reduced sales risk to the developer for these units and this is reflected in the lower percentage profit</p>

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p>development funding. Given the level of affordable housing that will be sought in schemes in the Borough, this should be reflected in the appraisals.</p> <ul style="list-style-type: none"> <li>• <b>S106:</b> for the reasons outlined above, there also needs to be a continued allowance for onsite S106 requirements in the appraisals.</li> </ul> <p><b>Residential land sales</b> The appraisal also provides no reliable and factual evidence of residential land sales in the Borough. It is essential that any assumptions made in the appraisal are based on actual and accurate examples of land sales in the area in order to achieve a robust evidence base. This should be reviewed further.</p>	<p>The Council has produced a Planning Obligations and Contributions Strategy which addresses this issue.</p> <p>Adams Integra in their Addendum have considered the issue of residential land sales.</p>
P15	Barton Willmore on behalf of Berkeley Homes (Southern) Ltd	<p>The CLG guidance requires that the proposed charging rates must take full account of other development costs (such as on-going S106 site-specific infrastructure contributions) and affordable housing targets, to ensure development is not compromised on viability grounds (noting paragraph 173 of the NPPF) and as a result, should not threaten the delivery of the Plan as a whole (the delivery of affordable housing will no doubt be an important element of the Plan). There is therefore concern that this has not been adequately accounted for in the viability work undertaken to support the proposed rates.</p> <p>This is further demonstrated within Part E of the Viability Report where a number of recommendations are made with regard to contributions within the various proposed charging zones, as informed by the viability evidence.</p> <p>Reference to ‘overall developer contributions’ in the recommendation therefore appears to confirm this is a combined figure that includes an allowance for developer contributions by way of on-going S106 contributions. However, the proposed Charging Rates in the PDCS do not reflect this, carrying over the same figure from the Viability Report for each charging zone. This appears to be an error in that the actual Charging Rate for each zone should be a lower figure on the basis that the rates should not be set right at the margins of viability (paragraph 28 of the CLG guidance) and that they should</p>	<p>Adams Integra in their Addendum have considered the issue of development costs.</p> <p>Adams Integra in their Addendum have clarified that their recommendation should not refer to overall developers contributions but to the proposed rate at which CIL can be set. Adams Integra further address the issue of a buffer in their Addendum.</p>

Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p>take account of other development costs (paragraph 29 of the CLG guidance). We therefore suggest that the current rates proposed within the PDCS should be reduced accordingly to allow a viability 'buffer' of a sufficient margin to cater for site-specific infrastructure contributions via a S106 agreement.</p> <p>Finally, as part of preparing the evidence base on economic viability, the CLG guidance refers at paragraph 22 to authorities reviewing the amounts raised in recent years through S106 agreements and the extent to which affordable housing and other targets have been met – in our view this seeks to provide a useful comparison against which to test whether future development will be able to withstand the proposed Charging Rates, again whilst taking account of other development costs. Whilst reference is made at paragraph A4.13 of the Viability Report to the present rates currently applied to development by way of GBC's S106 tariff, this appears to be a way of justifying the proposed rates on the basis that they are not greatly above those the Council presently charge via S106 agreement. This again appears to ignore the fact that S106 contributions will continue to be required and will therefore to be an additional tax over and above CIL.</p>	<p>Evidence will be published to demonstrate how much money has been raised through section 106 agreements. The Council has produced a Planning Obligations and Contributions Strategy which indicates when section 106 agreement will need to be undertaken.</p>
P15	Barton Willmore on behalf of Berkeley Homes (Southern) Ltd	<p>It is noted that in modelling various development scenarios, the Viability Report has only assessed notional sites. Whilst this is acceptable to some extent, paragraph 27 of the CLG guidance also requires authorities to sample directly an appropriate range of types of sites across its area in order to supplement its evidence, with a particular focus on strategic sites and brownfield sites (the latter on the basis that the impact of the levy on economic viability is likely to be most significant).</p> <p>It is apparent that the evidence has looked at the specific case of Gosport Waterfront on the basis the development will have abnormal costs due to decontamination and its proximity close to the shoreline, meaning it will require more expensive foundation design and flood defences. However, this appears to be the only sample brownfield site assessed which takes account of abnormal costs, and in any case is subject to a separate lower charging rate proposed to address the particular circumstances of this site.</p>	<p>The Borough Council considers that a suitable sample of brownfield sites have been considered as the Gosport Waterfront site remains the only site that would require consideration as the other strategic sites are progressing through the planning applications process.</p>

Summary of Representations Received and Proposed Responses

3. Draft Regulation 123 List: Response Table

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
P10	Natural England	<p>We welcome the inclusion of ‘Habitats and Biodiversity’ on the Draft Regulation 123 List, and particularly support the use of CIL to deliver mitigation for the in-combination impacts of recreational impacts as part of the Solent Disturbance and Mitigation Project (SDMP).</p> <p>If your authority will be reliant on CIL as a delivery mechanism for this project, it should be set out as the first priority in the top tier of any priority list. This is to ensure there is certainty over delivery of mitigation measures identified in the SDMP to ensure your plan is compliant with the Habitat Regulations.</p>	Noted
P12	Hampshire County Council	<p>The County Council is keen to work in partnership with the Borough Council to help set spending priorities, taking account of the key infrastructure requirements for which the County Council is responsible for delivering (notably schools and transport infrastructure).</p> <p>It is vitally important that the County Council as Highway Authority can continue to ensure that any works that are required in order to access or mitigate a development are delivered at the appropriate time by the developer by way of a section 278 agreement.</p>	Noted
P14	Barton Willmore on behalf of Milln Gate Gosport LLP	<p><b>Infrastructure Funding:</b> the 123 List should be expanded to provide specific reference to the projects that will be funded by CIL as identified by the Infrastructure Assessment Report and Delivery Plan. This will improve the transparency of the Schedule and continued S106 liabilities as per paragraph 15 of the Guidance.</p>	The draft 123 list does not need to be expanded but it will be accompanied by a planning obligations strategy a Planning Obligations and Contributions Strategy which ensure that ‘Double Dipping’ does not occur.
P15	Barton Willmore on behalf of Berkeley Homes (Southern) Ltd	<p>Authorities are required to be clear about what developers will be expected to pay through which route so that there is no actual or perceived ‘double dipping’ where developers pay twice for the same infrastructure. As such they are required to draw up a list of projects or types of infrastructure it intends to fund through CIL, and for which S106 contributions should not therefore be sought.</p>	The draft 123 list does not need to be expanded but it will be accompanied by a Planning Obligations and Contributions Strategy which ensure that ‘Double Dipping’ does not occur.



Summary of Representations Received and Proposed Responses

Ref No.	Respondee	Summary of Key Points	GBC Comment/Action
		<p>Hampshire Strategic Infrastructure Statement, published by the County Council, identifies the need to engage with the police on larger development proposals in order to identify whether provision of facilities for Safer Neighbourhood Teams (SNTs) are required to be delivered on site. As the IDP states, consultation with Hampshire Constabulary on such schemes is therefore essential.</p> <p>Hampshire Constabulary is currently examining the policing needs that arise from planned development and therefore are keen to engage with the Borough regarding the proposed approach to the Regulation 123 list, and would welcome discussions about the future allocation of CIL funds towards meeting the cost of this infrastructure.</p>	
P10	Natural England	<p>We strongly support the inclusion of Alver Valley Country Park and the SDMP mitigation in the IDP. In addition, the IDP should secure delivery of any Green Infrastructure (GI) included in Local Plan policy.</p>	Noted.
P12	Hampshire County Council	<p>There have been some alterations to the schemes that are identified within the Borough's Infrastructure Delivery Plan. Appendix 1 of this letter sets out the updates required to Table 1, containing the Strategic Transport Schemes, and to Table 2, containing the roads and traffic schemes in 'Out of Borough Strategic Transport Schemes affecting Gosport'.</p> <p>In addition to the tables, the 'A27 St. Margaret's dualling to Mill Road' scheme contained within the 'public and community transport' of Table 2 can be deleted as this scheme is included within Phase 2 of the A27 Fareham to Segensworth scheme.</p>	<p>The Infrastructure Delivery Plan will be amended</p> <p>The Infrastructure Delivery Plan will be amended</p>
P15	Barton Willmore on behalf of Berkeley Homes (Southern) Ltd	<p>Whilst an Infrastructure Delivery Plan (IDP) has been prepared to determine the likely requirements and cost of infrastructure required to support future development, this is very much 'work in progress'. This is evident by the content of the IDP which whilst listing the various likely infrastructure requirements, provides very limited detail regarding their likely costs, what contribution may be made via other alternative sources and as a result, the likely shortfall to be funded by CIL'. As such there is no accurate assessment of whether or not there is a funding gap.</p>	The schemes that are known with the most up to date information are included within the IDP

Summary of Representations Received and Proposed Responses

5. Infrastructure Assessment Report: Response Table

Ref No.	Name of Respondee	Summary of Key Points	GBC Comment/Action
P7	Southern Water	<p>Southern Water welcomes the section on 'Waste Water' contained in this document.</p> <p>It may be useful to mention in the 'Key issues for Gosport' section that although there is insufficient capacity in the sewerage network, this could be overcome by the provision of new and/or improved local sewerage infrastructure.</p> <p>In the section on 'Required/Planned Provision, and Funding', in addition to the requirement to provide 'New and/or improved local sewerage infrastructure' reference should also be made to separating surface water which currently drains to the combined system. The suggested wording is as follows: <u>'However, the discharge from any redevelopment should be no greater than the existing levels or involve the removal of surface water runoff from the foul system. Also a new and/or improved local sewerage infrastructure.....'</u> The third paragraph in this section can also be updated as follows:</p> <p><u>'In the last price review, Southern Water has identified a proposal which has been put forward in the 2010-2015 period to reduce odour surrounding the Peel Common Wastewater Treatment (WTW). This scheme is proposal is subject to Ofwat approval through the periodic review period.'</u> <u>currently being implemented with completion due in Spring 2014.</u></p>	The Infrastructure Assessment Report will be amended.
P8	Hampshire Constabulary	I am pleased to note that table 10.2 of the Infrastructure Assessment Report examines the policing needs that are likely to arise from future development within the Borough. As stated in this document, it is difficult to predict future funding arrangements, and indeed the needs that may arise as a result of developments in the future. The Hampshire Strategic Infrastructure Statement, published by the County Council, identifies the need to engage with the police on larger development proposals in order to identify whether provision	Noted

Summary of Representations Received and Proposed Responses

Ref No.	Name of Respondee	Summary of Key Points	GBC Comment/Action
		<p>of facilities for Safer Neighbourhood Teams (SNTs) are required to be delivered on site. As the IDP states, consultation with Hampshire Constabulary on such schemes is therefore essential.</p> <p>Hampshire Constabulary is currently examining the policing needs that arise from planned development and therefore are keen to engage with the Borough regarding the proposed approach to the Regulation 123 list, and would welcome discussions about the future allocation of CIL funds towards meeting the cost of this infrastructure.</p>	
P12	Hampshire County Council	<p><b>Public Health Comments</b></p> <p>Haslar Peninsular: The local health landscape has changed considerably over the last three years and planners need to consult with Fareham and Gosport Clinical Commissioning Group on the future of the Haslar site</p> <p>Social and community facilities: Should include deprivation and social isolation key issues for Gosport, especially as evidence suggests they have implications for morbidity and mortality.</p> <p>Indoor sports centre (p49) parks and children’s play provision (p53) and green infrastructure (p56): Implications for the local plan: childhood obesity and deprivation should be drivers of future requirements</p>	<p>Noted</p> <p>The Infrastructure Assessment Report will be amended to reflect these issues.</p>