



**COMMUNITY INFRASTRUCTURE LEVY:
PRELIMINARY DRAFT CHARGING SCHEDULE:
CONSULTATION DOCUMENT**

JUNE 2012

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1. Consultation

1.1 This consultation represents the first formal stage in Sevenoaks District Council's preparation of a Community Infrastructure Levy (CIL) Charging Schedule. Once adopted, the Charging Schedule will set out a standard rate that developers will need to pay when undertaking different types of development in different parts of the District. Funds collected through CIL must be spent on infrastructure required to support development of the area.

1.2 The Council considers that there are many benefits of adopting a CIL Charging Schedule. In particular, a standard CIL charge will:

- aid infrastructure providers in planning the delivery and operation of infrastructure;
- aid developers in identifying the likely costs associated with development;
- improve accountability to the public for use of developer contributions for infrastructure;
- ensure that payments are made to town and parish councils when development occurs in their areas so that they can deliver local priority infrastructure; and
- increase the range of developments that are able to contribute towards infrastructure, including small residential developments which have often not been required to make contributions in the past.

1.3 The Council is keen to hear from individuals and organisations that have an interest in the operation of the Community Infrastructure Levy.

1.4 The consultation is carried out in accordance with regulation 15 of the Community Infrastructure Levy Regulations 2010, as amended.

1.5 This consultation document was published on **XX/XX/XX**. Comments should be made before 5pm on **XX/XX/XX**. Comments should be submitted via the Council's consultation web-portal, by email to ldf.consultation@sevenoaks.gov.uk or in writing to:

Planning Policy
Sevenoaks District Council
Argyle Road
Sevenoaks District Council
TN13 1HG

1.6 Comments are invited on any points raised by this consultation document (whether related to the consultation questions or not) and the preliminary draft of the Sevenoaks District Council Charging Schedule, which forms appendix A to this consultation document.

1.7 Comments made on these consultation documents will be taken into account in preparing subsequent versions of the CIL Charging Schedule for

consultation, examination by an independent examiner and adoption. The Council's timetable for producing an adopted CIL Charging Schedule is:

Consultation on preliminary draft ends	XX/XX/XX
Consultation on draft Charging Schedule	December 2012 - January 2013
Submission of draft Charging Schedule for Examination	April 2013
Examination of draft Charging Schedule	August 2013
Adoption of Charging Schedule	December 2013

2. Background

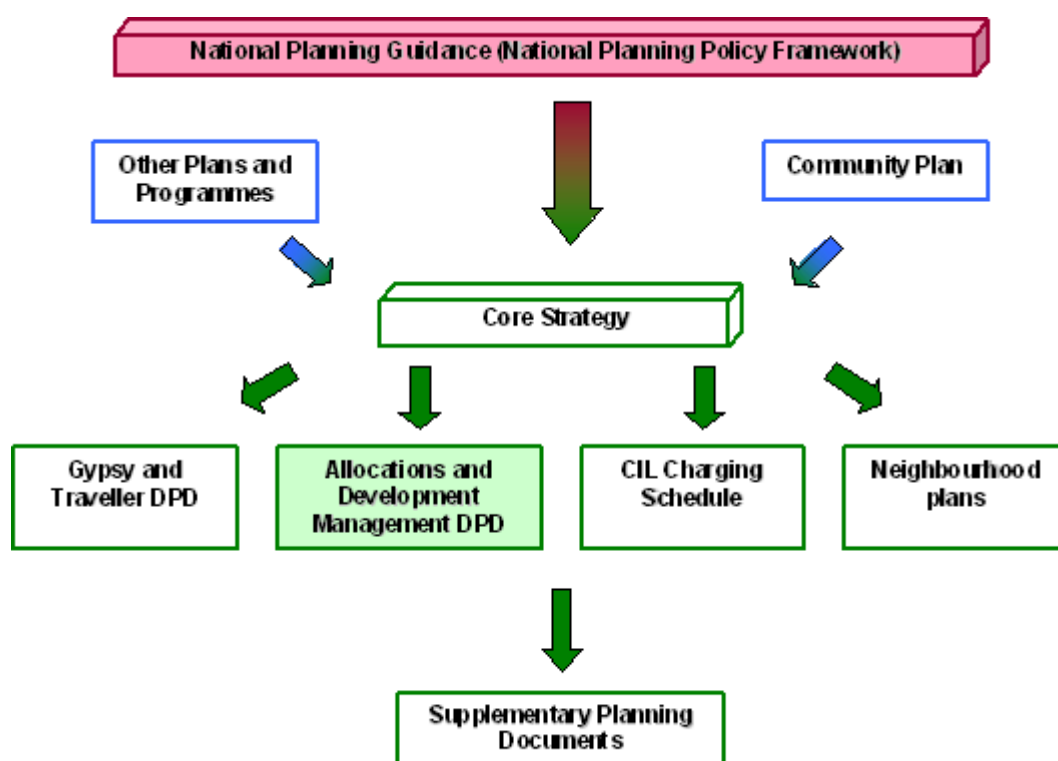
The Community Infrastructure Levy and Charging Schedules

- 2.1 The Community Infrastructure Levy (CIL) is a locally set standard charge that can be applied to new development to fund infrastructure. It is calculated in £ per sq m of new buildings or extensions. In order to charge CIL, charging authorities must prepare a Charging Schedule. Sevenoaks District Council is the charging authority for Sevenoaks District. This preliminary consultation on the Council's Charging Schedule sets out proposed CIL charges for different types of development and different areas of the District and seeks views on some of the issues that the Council will need to consider in applying CIL.
- 2.2 The CIL Charging Schedule will set out what certain forms of development will pay. However, the following types of development will not be liable to pay CIL:
- Changes of use.
 - New buildings or extensions of less than 100 sq m gross internal area unless they result in the development of one or more new dwellings. Therefore, the majority of residential extensions will not be required to pay CIL but some may.
 - Affordable housing, subject to the developer applying for relief in the manner set out in the regulations.
 - Development by a charity where the development will be used wholly or mainly for charitable purposes.
 - Buildings into which people do not normally go, or go only intermittently for the purpose of inspecting and maintaining fixed plant or machinery.
- 2.3 In addition, only the net additional floorspace on a development site will be expected to pay CIL if an existing building, or part of it, has recently been in use (defined as 6 months of the last 12). Therefore the CIL receipts generated on a brownfield site with existing buildings in use will be lower than those generated on the same development on a greenfield site.
- 2.4 Further detail on what types of development do and do not pay CIL and what CIL receipts can be used for are provided later in this document.

Local Development Framework

- 2.5 Sevenoaks District Council adopted the Local Development Framework Core Strategy for the District in February 2011. The Core Strategy sets out policies on the overall scale and distribution of development and strategic policies that will be used to determine the type of development that comes forward and protect the natural and built environment. The Core Strategy provides for the development of 3,300 new dwellings to be built in Sevenoaks over the period 2006-2026. The current housing land supply position is summarised in the following section.

2.6 SDC is currently preparing the Allocations and Development Management Policies DPD (ADM DPD). This will identify new land use allocations for housing, employment and boundaries for other land use designations such as the Green Belt and AONB. The allocations will provide sufficient development sites to ensure that the Council can meet the remainder of the target for new dwellings to 2026 (approximately 1200 dwellings). The ADM DPD will also contain detailed policies that must be taken into account in determining planning applications. SDC will publish the pre-submission publication draft (regulation 27) of the DPD in the autumn of 2012 and it is anticipated that it will be subject to Examination in spring 2013.



Legislative and National Policy Context

2.7 CIL Charging Schedules must set out the charge(s) in £ per sq m that development will be expected to pay to support the provision of infrastructure. Whilst the charge can be varied by area and type of development on the basis of viability evidence, there are no other reasons for setting differential CIL charges.

2.8 CIL may be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure. The Planning Act identifies the types of infrastructure that should be considered for funding through CIL, although the list is not definitive. These are:

- (a) roads and other transport facilities,
- (b) flood defences,

- (c) schools and other educational facilities,
- (d) medical facilities,
- (e) sporting and recreational facilities, and
- (f) open spaces.

- 2.9 The provision of affordable housing or financial contributions towards it can not currently be secured through CIL. Whilst the Government recently consulted on whether this should be changed, it is yet to publish its decision and the amended regulations that would be required. Planning obligations will continue to be used to secure affordable housing, in accordance with the Core Strategy policy SP3.
- 2.10 In order to charge CIL, Sevenoaks District Council (SDC) needs to prepare a CIL Charging Schedule. This needs to be subject to independent examination and must be supported by evidence of a gap between the funding needed to provide the infrastructure required to support development and that which is already available. The Council must also show that the charging of CIL will not lead to the overall scale of development proposed being non-viable. However, the balance between the desirability of funding infrastructure through CIL and the effects on viability of development is for the Charging Authority to decide upon. Under the legislation and statutory guidance, the Charging Authority is under no obligation to reduce its CIL rate if it is shown that individual developments will no longer be viable. Instead, the impact on viability of development in the District as a whole should be considered. Further guidance is provided in 'Community Infrastructure Levy Guidance: Charge Setting and Charging Schedule Procedures' (CLG, 2010).
- 2.11 The National Planning Policy Framework (NPPF) states that the cumulative impact of standards and policies should not put implementation of the plan at serious risk, and should facilitate development through the economic cycle (para 174). Development should provide competitive returns to a willing land owner and willing developer, when normal development costs and policy requirements have been taken into account (para 173). However, it is also recognised that development should not be permitted where it can not provide for the 'safeguards' necessary to make development acceptable (para 176).
- 2.12 Whilst there are some forms of development that are exempt or offered relief from paying CIL, it will generally be the case that qualifying forms of development (i.e. those identified in the Charging Schedule) will pay CIL without exception or negotiation. The regulations contain limited powers for the Council to offer relief from CIL in exceptional circumstances, at its discretion. However, the situations where this can occur are tightly prescribed and are subject to EU State Aid rules (see section 6).

Planning Obligations

- 2.13 The Community Infrastructure Levy will largely replace planning obligations, under section 106 of the Town and County Planning Act 1990, as the mechanism that local planning authorities use to secure developer

contributions for infrastructure to support development. Planning obligations should only be used to secure contributions towards infrastructure, or its provision, where there are site specific implications of development. Any planning obligations can only be taken into account in determining planning applications where they meet the following tests from regulation 122 of the CIL Regulations 2010:

- a) necessary to make the development acceptable in planning terms;
- b) directly related to the development; and
- c) fairly and reasonably related in scale and kind to the development.

2.14 Developer contributions secured through planning obligations will no longer be able to be pooled from more than 5 different obligations to deliver the provision of a certain project or type of infrastructure from April 2014 or the date of adoption of the CIL Charging Schedule, whichever comes first. This restriction, from regulation 123 of the CIL Regs 2010, is intended to ensure that local planning authorities use CIL instead of planning obligations to secure contributions for infrastructure that serves a wider area than just the specific development site or group of sites.

2.15 In addition, planning obligations will not be able to be used to secure the provision of, or contributions to, infrastructure that could be funded through CIL. Local planning authorities can identify what infrastructure will be funded through CIL so that planning obligations can continue to be negotiated for other infrastructure. In order to do this, charging authorities can publish a list of infrastructure to which CIL will contribute on its website. This list is sometimes referred to as a Regulation 123 list. This list does not need to be the same as the infrastructure plan which is submitted to support the Charging Schedule at Examination and can be reviewed at any time.

Consultation Questions

Do the Core Strategy and emerging LDF documents provide an appropriate policy context for the preparation of a CIL Charging Schedule?

Is the Council's interpretation of the legislative and national policy context correct?

3. Infrastructure Requirements and Use of CIL Receipts

Additional Housing Development Proposed

- 3.1 The adopted Sevenoaks District LDF Core Strategy plans for the development of 3,300 dwellings in the period 2006-2026. SDC's most recent [Annual Monitoring Report](#) sets out the housing land supply position within the District at 31 March 2011. 1186 additional dwellings had been completed in the period 2006-2011. A further 1120¹ additional dwellings have extant planning consent and, therefore, should have had their infrastructure requirements taken into account through the development control process. To meet the remaining requirement, the Council has identified the potential for 819 dwellings to be developed on sites identified in the Strategic Housing Land Availability Assessment which are consistent with strategic Core Strategy Policies and forecasts the development of 350 dwellings on small, as yet unidentified, sites in the last 5 years of the plan period. This will mean that the Council will have a sufficient supply of new housing to meet or exceed the Core Strategy requirement of 3,300 dwellings.

Population Forecasts

- 3.2 In many cases, the need for additional or improved infrastructure is likely to result from an increase in population as a result of development, rather than the increase in the number of dwellings itself.
- 3.3 Kent County Council's most recent strategy-based [demographic forecasts](#) predict that, on the basis of the number of dwellings remaining to be developed over the Core Strategy period in the District, the total population in Sevenoaks District will increase from 114,100 in 2010 to 114,200 in 2026. These forecasts indicate that, at the District-wide level, any increase in population as a result of new development will largely be offset by the impact of wider demographic changes, such as more single person households. In assessing infrastructure requirements at the District-wide level, providers have been asked to assess the impact of development on population by applying these forecasts.
- 3.4 Where new infrastructure is required at the local level within the District or a specific new development, for example a new local play area, the requirement will be more closely related to the new population moving into the new development, regardless of where they have moved from and of the impact of wider demographic changes. In this case, SDC consider it appropriate that assessments of the impact of development assume the local population increase will be equivalent to the average household size in the District (2.43 in the 2001 Census) multiplied by the number of dwellings.

¹ This figure is subject to a non-implementation rate of 7% on sites under 0.2 ha and 4% on sites of 0.2 ha and over. These rates are based on previously identified trends.

Draft updated infrastructure delivery schedule

- 3.5 SDC's existing Infrastructure Delivery Plan is set out at appendix 4 to the adopted [Core Strategy](#). This document was prepared in 2010 and had regard to the information provided by infrastructure providers in written correspondence with the Council or in existing or emerging strategy documents. The Core Strategy is clear that this schedule is to be treated as a live document. SDC will use the information provided through the process of preparing the CIL Charging Schedule to develop an updated Infrastructure Delivery Plan.
- 3.6 The existing Infrastructure Delivery Plan and engagement with infrastructure providers has been used to develop an initial indicative list of infrastructure to support development that could be funded through CIL. It should be noted that there is no requirement for SDC to commit to funding these projects once CIL has been adopted. The Council will have the flexibility to spend CIL receipts on any other type of infrastructure that is considered to be a priority at the time.

Scheme Type	Lead Body	Cost	Committed Funding *	Funding Gap
Transport Schemes, including Urban Traffic Management Control (UTMC) system for Sevenoaks and Implementation of selected routes from the Sevenoaks Cycling Strategy	Kent County Council	£1,980,000 - £2,130,000 (£2,055,000 assumed)	£0	£2,055,000
Flood Defence and Water Quality Infrastructure, including flood defence scheme in Edenbridge	Environment Agency	£11,300,000	£0	£11,300,000
Schools, including primary and secondary in Sevenoaks and Swanley	Kent County Council	£4,380,690	£0	£4,380,690
Health Care, including	NHS	£1,021,238	£0	£1,021,238

improvements to existing facilities in Sevenoaks, Swanley and Edenbridge				
Community facilities, including improvements to libraries, community learning, community development work to integrate new residents and SDC's youth zone scheme.	Kent County Council and Sevenoaks District Council	£1,189,798	£0	£1,189,798
Open Space, Sport and Recreation, including the redevelopment of Whiteoak Leisure Centre, provision of outdoor 'Green Gyms', provision of allotments in Sevenoaks and Swanley and additional facilities or extensions to wildlife sites.	Scheme-dependent, includes Sevenoaks District Council, Kent Wildlife Trust, North West Kent Countryside Partnership, Edenbridge Town Council and Sevenoaks Town Council	£7,485,250 - £7,487,250 (£7,486,250 assumed)	£3,501,000	£3,984,250 - £3,986,250 (£3,985,250 assumed)
Total		£27,432,976	£3,501,000	£23,931,976

* i.e. forecast Council Tax or Grant increase as a result of development, existing resources or revenue from redevelopment of other sites.

3.7 Once committed and anticipated funding has been taken into account, the infrastructure plan indicates that there is a need for approximately an additional £24,000,000 to support the provision of infrastructure required as a result of development. This funding gap has been taken into account in proposing the CIL charge, set out in the preliminary draft schedule (appendix A) and a later section in this document.

- 3.8 The draft CIL Infrastructure Plan has been produced following an initial period of consultation with infrastructure providers and not a robust assessment of the necessity of the schemes suggested or the appropriate split between contributions from CIL and other funding available for providing services for existing communities. As the Council considers these schemes further or additional evidence is provided, the inclusion of the schemes or the details may change. It is likely that the estimated funding gap will reduce. Inclusion of schemes in the draft plan, or summary above, does not guarantee that the Council will view them as a priority and make CIL funding available at the time that development comes forward. Infrastructure providers may be asked to provide evidence to justify a release of funds once CIL receipts are received.
- 3.9 Previous guidance (Circular 05/05) on the use of planning obligations suggests that they should not be used for funding certain forms of infrastructure because other legislation provides that it is the developer's responsibility to requisition this infrastructure directly from the provider and other funding arrangements are in place. This applies to water, sewerage and sewage disposal infrastructure. SDC understand that the same considerations apply to funding this infrastructure through CIL and so it will not be taken into account in producing the Charging Schedule.

Types of Development to be funded through s106

- 3.10 Although there is no requirement to do so, charging authorities can identify the infrastructure projects or types of infrastructure that CIL receipts will be used to deliver. Once these have been defined, other types of infrastructure can be funded or delivered through planning obligations, subject to the restrictions set out in the CIL Regulations 2010.
- 3.11 SDC considers that CIL should usually be used to provide contributions for infrastructure improvements that serve a wider area than just the specific development site or where more than 5 contributions will need to be pooled to deliver the new infrastructure or improvement. It is considered that the types of infrastructure set out in the schedule in the previous subsection should be funded through CIL. Site specific infrastructure should continue to be secured through planning obligations. The following is a list of the types of infrastructure that will be funded through planning obligations.
- Site specific highway works;
 - On-site open space, for example children's play areas;
 - Site specific biodiversity mitigation and improvement;
 - On-site crime reduction and emergency services infrastructure, for example CCTV or fire hydrants; and
 - Site specific Public Rights of Way diversions or impact mitigation.
- 3.12 In addition, affordable housing provision and contributions will continue to be secured through planning obligations, unless the Government brings in

a change in the regulations that make in necessary or beneficial to secure these through CIL.

- 3.13 Other mechanisms exist to ensure that developers provide sufficient infrastructure or financial payments to ensure that new development is provided with the necessary utilities, including water and sewerage infrastructure. SDC will support the timely provision of the necessary infrastructure. The costs of providing this infrastructure should be taken into account in establishing the viability of development.

List of Infrastructure to be funded through CIL (Reg 123 list)

- 3.14 SDC will prepare a list of infrastructure to be funded through CIL in accordance with regulation 123 of the CIL Regulations 2010. This list will initially be based on the infrastructure plan that will be prepared to support the submitted Charging Schedule and will be published alongside the adopted Charging Schedule. The list will be made available on the Council's website and will be reviewed regularly to take account of any changes in the plans of infrastructure providers and changes in funding arrangements.
- 3.15 In reviewing the list of infrastructure that CIL will be used to fund, SDC will have regard to the need for sub-regional infrastructure that may be required as a result development in Sevenoaks District and neighbouring districts/boroughs. In accordance with the Duty to Cooperate, SDC will work with neighbouring authorities to ensure that proportionate contributions from CIL are made to such a project. Consultation with infrastructure providers has not raised a need for sub-regional infrastructure at this stage.

Role of Town and Parish Councils

- 3.16 The National Planning Policy Framework (NPPF) sets out the Government's view that the Community Infrastructure Levy should support and incentivise new development by placing control over a meaningful proportion of the funds raised with the neighbourhood where development takes place. It is expected that the Government will publish regulations in 2012 that will establish the percentage of CIL receipts that charging authorities will pass on to town and parish councils when development occurs in their area. These regulations may establish restrictions on what town and parish councils can spend these CIL receipts on.
- 3.17 The Council's draft CIL Infrastructure Delivery Schedule contains a list of the types of schemes that town and parish councils have indicated they may wish to fund through CIL receipts, when development occurs in their area. However, town and parish councils are not limited to funding these schemes and may decide what to spend CIL receipts on other projects when development comes forward.

Consultation Questions

Do you agree that the identified types of infrastructure schemes are necessary to support development in the District?

Are there any additional types of infrastructure schemes that are necessary to support development in the District?

Do you agree with the Council's proposals for publishing the list of infrastructure to be funded through CIL?

What types of infrastructure or projects should be the priority for CIL funding?

4. Development Viability

Viability Study

4.1 In order to ensure that a CIL charge would not put at risk the overall development of the area, the Council commissioned a CIL Viability Assessment to consider the levels of CIL charge that most development could pay and remain viable. The study has been published alongside this consultation document. It considered the justification for different charges in different parts of the district and for different land uses. Amongst others, the Viability Assessment considered the viability of the following different types of development, using a residual land valuation model:

- Residential;
- Large retail – supermarkets and retail warehouses;
- Small retail – convenience stores and town centre comparison retail;
- Offices;
- Industrial;
- Warehouses;
- Hotels;
- Care Homes;
- Community Uses; and
- Agricultural.

4.2 The approach taken seeks to ensure that after development costs, including developers profit (20% on market housing), the provision of affordable housing and CIL, are taken into account, the residual value left in the overall value of development is sufficient to ensure that land can be purchased at a reasonable price. Research undertaken by the consultants and information from the Valuation Office Agency, RICS and the Land Registry has been used in assessing what overall values of development should be considered and what reasonable purchase prices for development land are in the District. A range of other sources, including consultation with a number of developers and agents, have been used to identify reasonable figures for other elements of the assessment, such as build costs.

Assumptions

4.3 Generic development scenarios were tested for the uses considered by the study. These are considered to be an appropriate representation of the types of development that are expected to come forward in the district, as proposed by the Core Strategy and on the basis of past applications. The viability assessment does not consider the impact of CIL on sites actually proposed for development, in accordance with the guidance. It is recognised that some sites in the District may have site-specific abnormal costs that may lead to development not being viable. It is the Council's view that the standard CIL charge should be set at a level that means that it will represent a relatively small proportion of the development costs and

should not be the deciding factor in whether or not development is viable. Generally, the Viability Assessment finds that if development was going to be viable before a CIL charge is applied then it should be viable once CIL is being charged.

- 4.4 The viability assessment took into account how the Council's other policies impact on development viability. In particular, the assessment was based on the assumption that the Council's affordable housing policy (Core Strategy policy SP3) and sustainable construction policy (Core Strategy policy SP2) will be delivered in full.
- 4.5 The viability assessment is based on ensuring that developers can make a reasonable profit on both market and affordable housing and still afford to purchase the land at a reasonable price. 20% developers profit on market housing and 6% on affordable housing is factored into the viability appraisals. The figure for market housing is higher than the figure applied in the Affordable Housing Viability Assessment in 2009, which considered 15% and 17.5%. This is due to the more restrictive actions of financial institutions, which are tending to mean that only schemes that generate higher levels of profit are able to secure finance. Higher assumed profits also provide a degree of contingency against abnormal costs.
- 4.6 As far as is considered reasonable to do so, this assessment has considered the impact of CIL on the viability of development over time, through the use of a range of 'value points' that are expected to reflect development values at different stages of the economic cycle.

Conclusions

- 4.7 The CIL Viability Assessment finds that the CIL charges in the following table would be viable. For residential development it recommends that different charges would be viable in different parts of the District. These areas are shown on the map, below. As a result of house price information being most readily available at ward level, ward boundaries have been used to distinguish between the different areas.

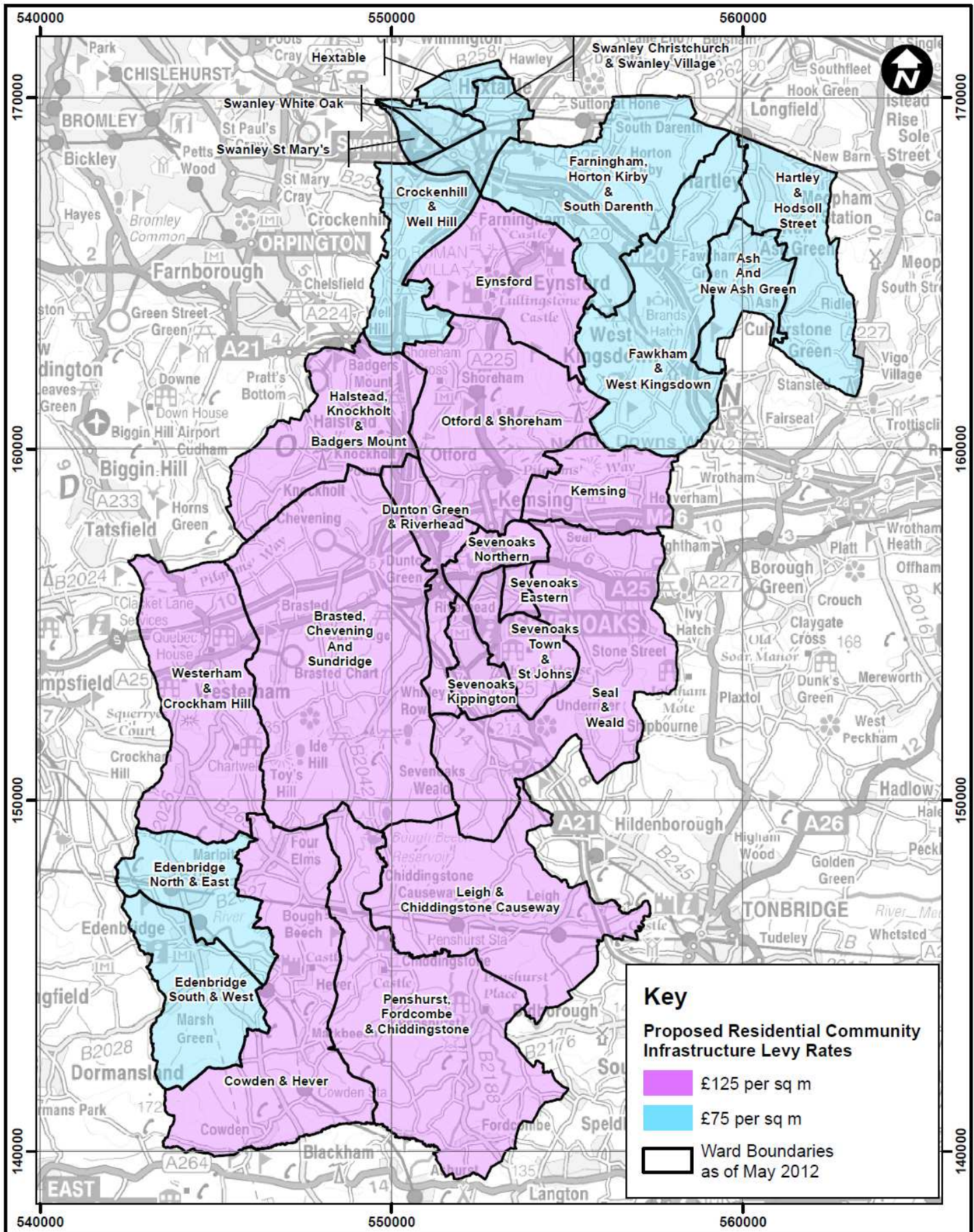
Development Type	Area A	Area B
Residential	£125 per sq m	£75 per sq m
Large Retail (supermarkets and retail warehouses)	£125 per sq m	
Small Retail (convenience stores and town centre comparison retail)	£50 - £75 per sq m	
Other forms of development	£0 per sq m	

- 4.8 A nil charge has been set out for some uses, including offices and warehousing, because the Viability Assessment concludes that the development of units in that use would be at a significant risk of not being viable if a CIL charge was to be levied. To propose higher rates than the Viability Assessment finds would be viable would be highly likely to lead to the CIL Charging Schedule being found unsound at Examination.

- 4.9 The Viability Assessment notes that a definitive threshold between large and small retail units is difficult to identify. The viability of the use is more closely related to the type of retail offer, with large retail primarily describing supermarkets and large retail warehouses and small retail describing local convenience stores. Work to agree an appropriate threshold with the consultants undertaking the Viability Assessment is on-going.

Consultation Questions

Do you agree that the viability study represents an appropriate basis for determining the level of CIL that would be viable in the District?



This map is based upon the Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. Sevenoaks District Council, 100019428, 2011.

Proposed Residential Community Infrastructure Levy Rates

Sevenoaks District Council

Scale: 1:140,000

Date: May 2012

Preliminary Draft CIL Charging Schedule: Proposed Residential Community Infrastructure Levy Rates

Produced by the GIS Team, Sevenoaks District Council

5. Proposed CIL Charge

Funding Infrastructure and Ensuring Development is Viable

- 5.1 A key test of a sound Charging Schedule is that evidence shows that the proposed charge would not put at serious risk overall development of the area². A summary of the methodology and the conclusions from the CIL Viability Assessment are set out in the previous section.

Proposed Level of CIL in the Preliminary Draft Charging Schedule

- 5.2 National guidance on setting CIL charges³ states that it is for local authorities to decide what the appropriate balance is between the desirability of funding infrastructure through CIL and economic viability of development across its area. In identifying a proposed CIL charge is generally accepted good practice that a charging authority should not set the level at, or near, the limits of viability. Following this guidance ensures that some flexibility is built into the Charging Schedule to allow for any changes in viability considerations over time and in the case that any assumptions in the viability assessment that do not entirely accurately reflect the situation 'on the ground'. It is proposed that the following levels of CIL are charged:

Development Type	Area A	Area B
Residential	£125 per sq m	£75 per sq m
Large Retail (supermarkets and retail warehouses)	£125 per sq m	
Small Retail (convenience stores and town centre comparison retail)	£50 per sq m	
Other forms of development	£0 per sq m	

Areas A and B are set out on the map, above.

Estimated CIL Receipts for Development Proposed in the LDF Core Strategy

- 5.3 Through the infrastructure planning process, described previously in this document, SDC has been able to show that a funding gap of approximately £24,000,000 million exists when an indicative list of infrastructure projects required to support development are considered. This takes into account other sources of funding that may realistically be available to deliver these infrastructure projects. When the flood defence scheme in Edenbridge, which may be considered more related to protecting existing development than supporting new, is removed from the list, the funding gap is approximately £13,000,000.

² Community Infrastructure Levy Guidance: Charge Setting and Charging Schedule Procedures, para 9.

³ Community Infrastructure Levy Guidance: Charge Setting and Charging Schedule Procedures, para 6

- 5.4 It is estimated that, at the levels of CIL proposed, approximately £5,400,000 million will be secured to fund infrastructure improvements. This is before the 'meaningful proportion' to be paid to town and parish councils has been 'top-sliced' from the receipts. This has been estimated on the basis of the following assumptions:
- The scale of housing development that needs to be delivered to meet the Core Strategy target will be permitted and the distribution of development will broadly accord with the housing trajectory in the 2011 Annual Monitoring Report;
 - Identified sites will be permitted with the percentage of affordable units, which are offered 100% relief from CIL, required by Core Strategy SP3;
 - Annual levels of development will be uniform across the plan period, which will mean that 13% of the dwellings (2 years supply of the 15 years of the plan period remaining) will be delivered before the CIL Charging Schedule comes into force.
 - Average floorspace of newly built dwellings will be 76 sq m (from CABE); and
 - An assumed 10% of the residential floorspace being developed will replace floorspace in existing use, meaning that CIL will not be payable on this element;

Consultation Questions

Do you agree that the proposed level of CIL represents an appropriate balance between the desirability of funding infrastructure through CIL and ensuring that development remains viable?

Do you agree with the need for different CIL levels by use class and/or area within the District?

Do you agree that the estimate for the receipts that CIL will generate is reasonable?

6. Exemptions and Relief

- 6.1 The Community Infrastructure Levy Regulations 2010 (as amended) identify certain types of development that are exempt, offered relief on a mandatory basis or offered relief at the charging authority's discretion. The Government's 'Community Infrastructure Levy Relief: Information Document' should also be taken into account in considering whether development is likely to qualify for relief or exemption from CIL.

Mandatory Exemptions and Relief

- 6.2 The following forms of development are exempt from paying CIL:
- buildings into which people do not normally go, or go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery (Reg 6); and
 - developments of under 100 sq m gross internal area that do not result in the development of 1 or more additional dwellings (Reg 42);
 - development by a charity where the development will be used wholly or mainly for charitable purposes (Reg 43).
- 6.3 Developers of social housing are able to apply for relief from paying CIL (Regs. 49 - 54). This relief must be granted by the Charging Authority where the tests in the regulations are met (Reg 49). It is assumed that all affordable housing to be developed in the District will meet the tests in the regulations and that the relief granted will be 100% under the formula set out in regulation 50. Relief must be claimed by the owner of the land, who must assume liability to pay CIL, and must be submitted and processed before the commencement of the chargeable development (Reg. 51). Developers should also be aware of the mechanisms established by regulations 52 and 53, which set out processes that must be followed where land is transferred and situations where relief will be withdrawn, which may occur up to 7 years after development commenced.
- 6.4 SDC will consider preparing additional guidance on the implementation of CIL and the processes to secure exemptions and relief and, if required, publish this alongside the final version of the Charging Schedule.

Discretionary Relief

- 6.5 The Council has the option to offer discretionary relief for:
- development by a charity where the profits of the development will be used for charitable purposes (Regs. 44 - 48); and
 - exceptional circumstances (Regs. 55 - 58).
- 6.6 Claims for relief for development by a charity must be submitted and processed before commencement of the development (Reg. 47). Local authorities offering a charity relief on its investment developments will

need to ensure that this action does not constitute State Aid. Regulation 48 sets out circumstances where discretionary charitable relief will be withdrawn, which may occur up to 7 years after development commenced.

- 6.7 At its discretion, SDC has the power to offer relief from CIL for developments where there are exceptional circumstances that justify doing so. This relief can only be offered where the CIL charge would have an unacceptable impact on viability, the cost of complying with a planning obligation is greater than the cost of complying with CIL and the grant of relief would not constitute State Aid. As a result of the requirement for relief to be State Aid compliant, it is anticipated that this relief will only be available in genuinely exceptional circumstances if it is offered at all. The Government's 'Community Infrastructure Levy Relief: Information Document' (para 90) sets out the criteria for assessing whether an action constitutes State Aid and suggests that in almost all cases any relief would do so (para 92).
- 6.8 Charging Authorities' policies on exemptions and relief do not have to be set out at the same time that a Charging Schedule is prepared and do not need to be subject to Examination. If considered appropriate, SDC proposes to set out policies on discretionary relief in a separate policy document to come into effect at the same time as the Charging Schedule, in accordance with the relevant regulations.

Consultation Questions

Do you agree that the Council's interpretation of the legislation regarding exemptions and relief is correct?

Do you consider that the Council should offer discretionary relief for:

- a) development by a charity where the profits from development will be used for charitable purposes?*
- b) exceptional circumstances?*

What exceptional circumstances do you think should justify relief?

7. Monitoring and Reporting

SDC

- 7.1 Once the CIL Charging Schedule has been adopted, SDC will publish annual reports on:
- the money collected in the financial year;
 - the total amount of money spent in the financial year;
 - a summary of
 - what CIL has been spent on;
 - how much money has been spent on each scheme;
 - how much money has been spent to repay funds previously secured to forward fund infrastructure, including on interest payments; and
 - how much money has been spent on administrative costs;
 - the money that remains unspent at the end of the financial year.
- 7.2 The report will be published on the Council's website in the December following the financial year, along with, or as part of, the Council's Annual Monitoring Report for the LDF.
- 7.3 CIL receipts will only be transferred to infrastructure providers that can provide sufficient information to allow SDC to meet these monitoring requirements.
- 7.4 SDC is able to spend a proportion of the CIL receipts on the administration of the scheme. It will ensure that this spending is kept to a minimum to ensure that as much of the money received as possible is spent on infrastructure required to support development in the District.

Town and Parish Councils

- 7.5 It is anticipated that town and parish councils will have to report annually on the CIL receipts in the same way that SDC will be required to. This issue should be clarified when the Government publishes additional CIL regulations later in 2012.

Consultation Questions

Do you agree that the monitoring arrangements for SDC proposed are appropriate?

Do you agree that similar monitoring arrangements to those for SDC should be placed on town and parish councils?

8. Implementation

Further Guidance

- 8.1 This document sets out only information that is considered to be necessary or relevant to the preparation of SDC's CIL Charging Schedule. The Planning Act 2008 (as amended), the Community Infrastructure Levy Regulations 2010 (as amended) and CLG's guidance documents contain further detail on the mechanisms that need to be followed in implementing CIL. This includes certificates that persons liable to a CIL Charge must obtain before commencing development, information that must be provided to charging authorities and any enforcement action that may be required as a result of non-compliance. Developers and agents should ensure that they are aware of the mechanisms set out in these documents in time for the implementation of CIL in Sevenoaks District, which is expected towards the end of 2013. SDC will consider whether it is necessary to produce a guidance document on CIL procedures that can supplement nationally available documents and summarise procedures in a sound manner. If it is considered appropriate to produce a guidance document on implementation, SDC will aim to publish this prior to the CIL Charging Schedule coming into force.

Implementation Plan

- 8.2 SDC will prepare an implementation plan for the introduction of the Community Infrastructure Levy, which, amongst other things, will address how the Council will prioritise infrastructure projects to allocate CIL receipts to and how the use of CIL receipts will be monitored. SDC will publish this document prior to the Charging Schedule coming into force.

Instalments Policy

- 8.3 Local authorities have the flexibility to introduce instalments policies for the payment of CIL (regulation 69B of the CIL Regulations 2010, as amended by the 2011 regulations). This does not have to be subjected to examination along with the Charging Schedule. Where an instalment policy is not in place, the CIL charge is payable in full 60 days after the intended commencement date of the development (regulation 70). Any instalments policy must require payments a certain number of days after the commencement of development. SDC could not link instalment payments to the completion or occupation of a certain number of dwellings, as has sometimes been the case with s106 contributions.
- 8.4 The flexibility to pay in instalments may help to improve the cash-flow of developments and ensure that those that are of marginal viability proceed. On larger schemes in particular, an instalments policy may allow a developer to sell a number of units before all of the CIL charge is paid to the Council. However, an instalments policy will increase the amount time and resources that are spent on administering CIL at both the Council and developers. The Council are able to seek to cover their CIL administration

costs and any increase in these may lead to a decrease in the secured funds that can be spent on infrastructure. Given these issues, the Council seeks the views of stakeholders on the following consultation questions.

- 8.5 If considered appropriate, SDC proposes to set out an instalments policy in a separate policy document to come into effect at the same time as the Charging Schedule, in accordance with the relevant regulations.

Consultation Questions

Do you think that SDC should introduce an instalments policy for the payment of CIL?

If so, how should the total CIL payment be split between instalments and what do you think are suitable periods after commencement for CIL instalments to be payable?

What do you think is a reasonable threshold below which developers will not be able to pay CIL in instalments?

Appendix A: Preliminary Draft Charging Schedule

COMMUNITY INFRASTRUCTURE LEVY:
PRELIMINARY DRAFT CHARGING SCHEDULE

JUNE 2012

Background

This document is an initial draft of the Community Infrastructure Levy Charging Schedule for Sevenoaks District. It is subject to consultation between X June/July 2012 and X July/August 2012. Views expressed on the Charging Schedule and the supporting consultation document will be taken into account in preparing the final version of the Schedule.

Charging Authority

The Charging Authority will be Sevenoaks District Council.

Date of Approval

It is anticipated that the Charging Schedule will be subject to independent examination in summer 2013 and adopted in late 2013.

Date of Effect

It is anticipated that the Charging Schedule will come into effect in late 2013 / early 2014.

Statutory Compliance

The draft Charging Schedule will need to be approved and published in accordance with the Community Infrastructure Levy Regulations 2010 and Part 11 of the Planning Act 2008.

In setting the CIL rate the Council will need to take account of

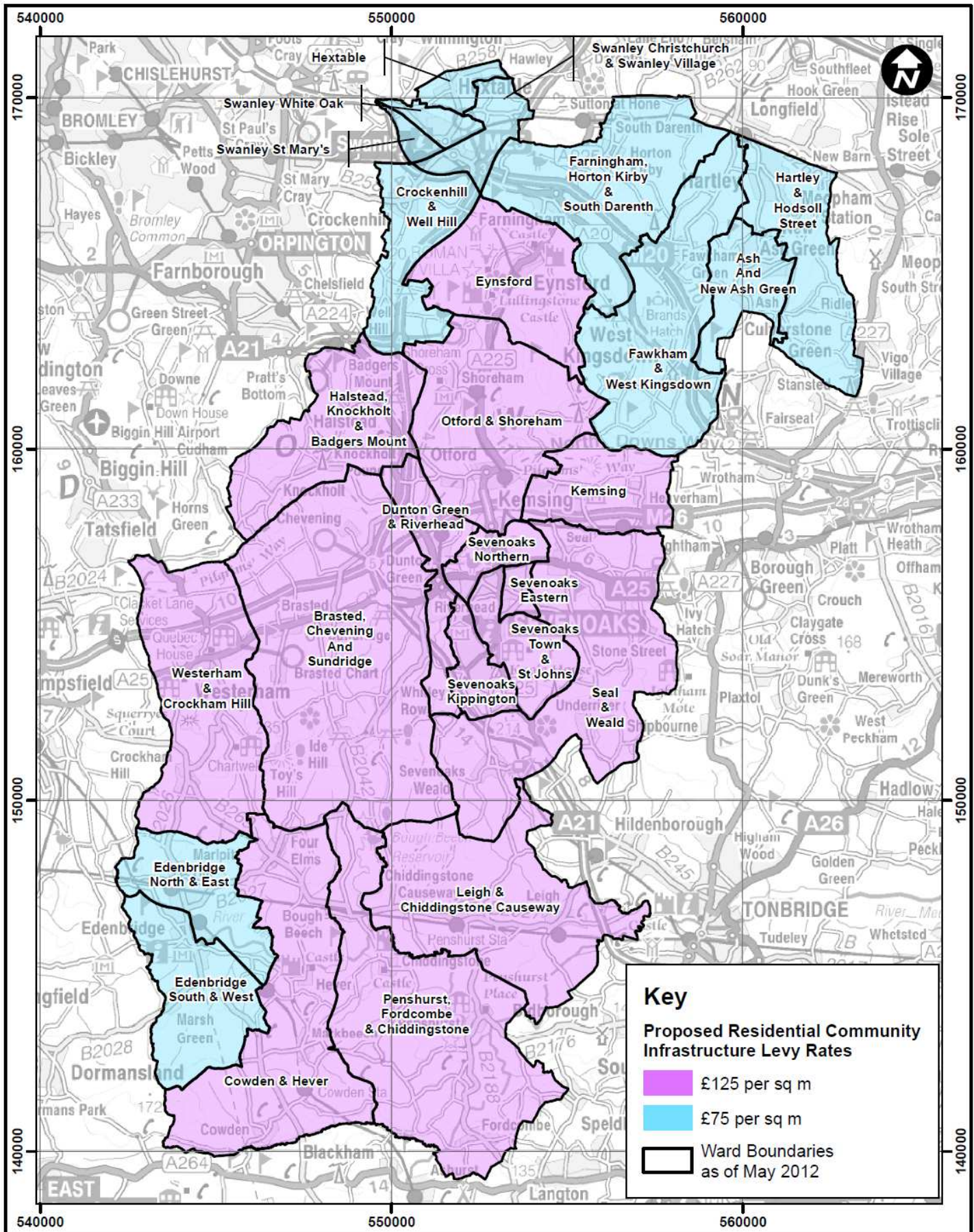
- the desirability of funding from CIL (in whole or part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and
- the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

The CIL Rate

Developers will be liable to pay the following CIL rates in Sevenoaks District, subject to any exemptions, relief or reductions that may be available under the CIL regulations or local discretionary exemptions:

Development Type	Area A	Area B
Residential	£125 per sq m	£75 per sq m
Large Retail (supermarkets and retail warehouses)	£125 per sq m	
Small Retail (convenience stores and town centre comparison retail)	£50 per sq m	
Other forms of development	£0 per sq m	

Areas A and B are set out on the map, below



Proposed Residential Community Infrastructure Levy Rates

Sevenoaks District Council

Scale: 1:140,000

Date: May 2012

Preliminary Draft CIL Charging Schedule: Proposed Residential Community Infrastructure Levy Rates

Produced by the GIS Team, Sevenoaks District Council

Calculating how much CIL developers will pay.

Calculating the Charge

SDC will calculate the amount of CIL payable (“chargeable amount”) in respect of a chargeable development in accordance with regulation 40 of the Community Infrastructure Levy Regulations 2010, as amended in 2011.

Inflation

Under Regulation 40, the CIL rate will be updated annually for inflation in accordance with the Royal Institute of Chartered Surveyors “All In Tender Price Index”.

Existing Floorspace on a Development Site

Regulation 40 provides that the total floorspace of any existing buildings on a development site should be subtracted from the floorspace of the chargeable development, where the existing buildings have been in use for at least six months within the period of 12 months ending on the day planning permission first permits the chargeable development.

CIL will not be payable on change of use.

Exemptions and Relief

The following forms of development are exempt from paying CIL:

- buildings into which people do not normally go, or go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery (Reg 6); and
- developments of under 100 sq m that do not result in the creation of 1 or more additional dwellings (Reg 42);
- development by a charity where the development will be used wholly or mainly for charitable purposes (Reg 43).

The following types of development are able to apply for relief from paying CIL:

- social housing (Reg. 48, 49, 50, 51, 52, 53, 54).

In addition, the Council has the option to offer discretionary relief for

- development by a charity where the profits of the development will be used for charitable purposes (Regs. 44, 45, 46, 47, 48); and
- exceptional circumstances (Regs. 55, 56, 57, 58)

The Council’s policies on whether discretionary relief is offered will be set out in a separate policy document, in accordance with the relevant regulations.