



**COMMUNITY INFRASTRUCTURE LEVY:  
DRAFT CHARGING SCHEDULE:  
SUMMARY OF EVIDENCE AND PROPOSALS**

**FEBRUARY 2012**

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# 1. Consultation

- 1.1 Sevenoaks District Council consulted on a Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule between 28<sup>th</sup> June and 9<sup>th</sup> August 2012. SDC has now prepared a Draft Charging Schedule, which it proposes to submit for independent examination. This document summarises the Council's evidence that supports the Draft Charging Schedule, which is available to comment on between X and X. 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 Representations submitted on the Draft Charging Schedule will be made available to an independent examiner, who will consider the soundness of the charging schedule and whether the Council is able to adopt it, either as proposed or subject to amendments.
- 1.4 The CIL Draft Charging Schedule can be found on the CIL pages of the Council's website. Comments should be submitted via the Council's consultation web-portal, by email to [ldf.consultation@sevenoaks.gov.uk](mailto:ldf.consultation@sevenoaks.gov.uk) or in writing to:

Planning Policy  
Sevenoaks District Council  
Argyle Road  
Sevenoaks  
TN13 1HG

## 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 net internal area of new buildings or extensions<sup>1</sup>. In order to charge CIL, charging authorities must prepare a Charging Schedule. Sevenoaks District Council is the charging authority for Sevenoaks District. The Draft Charging Schedule sets out proposed CIL charges for different types of development and different areas of the District.
- 2.2 The CIL Charging Schedule sets out what certain forms of development will pay. However, the following types of development will not be liable to pay CIL:
- Changes of use that do not result in an additional dwelling.
  - 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).

### 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 section 3.
- 2.6 SDC is currently preparing the Allocations and Development Management Policies Plan (ADM Plan). This will identify new land use allocations for

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<sup>1</sup> Further guidance on the measurement of net internal area and the calculation of CIL charges will be set out in an Implementation Plan, to be published alongside the Charging Schedule.

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 1000 dwellings). The ADM Plan will also contain detailed policies that must be taken into account in determining planning applications.

- 2.7 The Community Infrastructure Levy will support the delivery of the Sevenoaks Core Strategy and the Allocations & Development Management Plan by contributing towards the infrastructure required to support the development planned. The provision of infrastructure to support development has been seen as key component of the Government's ambition to encourage local communities to welcome development. The Community Infrastructure Levy should also aid the delivery of development by ensuring that developers are able to calculate the costs of infrastructure contributions prior to purchasing land and/or preparing planning applications.

#### Legislative and National Policy Context

- 2.8 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.
- 2.9 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.
- 2.10 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.
- 2.11 In order to charge CIL, Sevenoaks District Council (SDC) needs to adopt 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 threaten delivery of its Plan (i.e. the

Core Strategy) as a whole. This should be on the basis of an area-based approach that broadly tests viability across its area. 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. Further guidance is provided in 'Community Infrastructure Levy: Guidance' (CLG, 2012).

- 2.12 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).
- 2.13 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

- 2.14 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. Information on recent planning obligations secured for infrastructure is set out in appendix A. 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.
- 2.15 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.

- 2.16 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', after the corresponding regulation in the CIL Regulations 2010. 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. Sevenoaks District Council is considering the benefits and implications of preparing a Reg.123 list.
- 2.17 Affordable housing provision and contributions will continue to be secured through planning obligations, unless the Government amends the regulations that make it necessary or beneficial to secure these through CIL. Appendix B sets out how successful the Council has been in securing the provision of or contributions towards affordable housing between implementation of Core Strategy Policy SP3 in February 2011 and April 2012 (the end of the last AMR monitoring period).

### 3. Infrastructure Requirements and Use of CIL

#### 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 2012. 1360 additional dwellings had been completed in the period 2006-2012. A further 970<sup>2</sup> 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 879 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 432 dwellings on small, as yet unidentified, sites from year 6 of the housing trajectory. 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 remain relatively static over the period 2010 to 2026.
- 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.

#### Draft CIL Infrastructure Plan

- 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 on the basis of information provided by infrastructure providers. The Core Strategy is clear that this schedule is to be treated as a live document.
- 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.

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<sup>2</sup> This figure is subject to a non-implementation rate of 10% on sites under 0.2 ha and 4% on sites of 0.2 ha and over. These rates are based on previously identified trends.



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, subject to restrictions that may be imposed by the publication of a Reg. 123 list (see para 3.10).

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	£4,800,000	£1,200,000	£3,600,000
Schools, including primary and secondary in Sevenoaks and Swanley	Kent County Council	£6,005,000	£0	£6,005,000
Health Care, including improvements to existing facilities in Sevenoaks, Swanley and Edenbridge	NHS	£1,021,000	£0	£1,021,000
Community facilities, including improvements to libraries, community learning, social	Kent County Council and Sevenoaks District Council	£1,993,000	£0	£1,993,000

services and community development work to integrate new residents and SDC's youth zone scheme.				
<b>Open Space, Sport and Recreation,</b> 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, Edenbridge Town Council and Sevenoaks Town Council	£7,465,500	£3,501,000	£3,964,500

<b>Total</b>	<b>£23,339,000</b>	<b>£4,701,000</b>	<b>£18,638,000</b>
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\* 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 £19,000,000 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 Draft Charging Schedule.

3.8 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. Given that the infrastructure funding gap is significantly greater than the forecast receipts from CIL, prioritisation of infrastructure schemes will be required.

3.9 In identifying the 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 of development in Sevenoaks District and neighbouring districts/boroughs.

3.10 Whilst the Council is not required to provide certainty on the infrastructure projects that it will fund through CIL receipts, it is expected to set out a

draft list of the projects or types of projects that are anticipated to be funded through CIL. This list should form the basis of any regulation 123 list that the Council prepares. This is to ensure that a developer can identify clearly the types of infrastructure to be funded through CIL and what will be secured through planning obligations. The following list is the types of infrastructure that SDC expects to fund through CIL receipts:

- Transport schemes other than site-specific access improvements;
- Flood Defence schemes;
- Water quality schemes;
- Schools;
- Health and social care facilities;
- Police and emergency services facilities;
- Community facilities;
- Green infrastructure other than site-specific improvements or mitigation measures.

#### Types of Development to be funded through planning obligations

3.11 If infrastructure projects or types of infrastructure that CIL receipts will be used to deliver have been defined in Reg. 123 list, other types of infrastructure can be funded or delivered through planning obligations, subject to the restrictions set out in the CIL Regulations 2010. SDC is required to provide an indication of the types of infrastructure that it will secure through planning obligations. It is proposed that this would be most appropriate for site specific infrastructure, such as:

- Site specific access improvements (these could also be secured through s278 of the Highways Act 1980 in some circumstances);
- On-site open space, for example children's play areas;
- Site specific green infrastructure, including 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 amends the regulations that make it 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.

### Role of Town and Parish Councils

- 3.14 It is expected that the Government will publish regulations in 2013 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.
- 3.15 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 to spend CIL receipts on other projects when development comes forward, subject to the limits placed on them by legislation.

## 4. Development Viability

### Viability Study

4.1 In order to ensure that a CIL charge would not put at risk the delivery of the Core Strategy, the Council commissioned a CIL Viability Assessment to consider the levels of CIL charge that most development could pay and remain viable. The study was published alongside the Preliminary Draft Charging Schedule consultation document and an addendum has been published alongside the Draft Charging Schedule. The Viability Assessment has considered the justification for different charges in different parts of the district and for different land uses. Amongst others, the Viability Assessment (including the addendum) considered the viability of the following different types of development, using a residual land valuation model:

- Residential (including sheltered housing within Use Class C3);
- Supermarkets/Superstores
- Retail warehouses;
- Convenience stores;
- 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 gross 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 competitive price. Research undertaken by the consultants (Dixon Searle Partnership) 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. The viability assessment does not consider the impact of CIL on specific sites proposed for development, in accordance with national 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 proposed CIL charge is 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.

- 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.
- 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 competitive price. 20% developers gross 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 in the current economic climate, which are tending to mean that only schemes that generate higher levels of profit are able to secure finance. Higher assumed profit margins 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 proposed in the Draft Charging Schedule would not put at serious risk the delivery of the LDF Core Strategy<sup>3</sup>. The proposed charges have also taken into account identified good practice on not setting charges near the limits of viability. Following this guidance ensures that some flexibility is built into the Charging Schedule.
- 4.8 The Viability Assessment proposed that residential charges could be varied across different areas in the District on the basis of different Gross Development Values (GDV) in those areas, with a charge of £125/m<sup>2</sup> in some areas and £75/m<sup>2</sup> in others. Ward boundaries have been proposed as the basis for differentiating between areas because information on GDV and GDV/m<sup>2</sup> is readily available for individual wards. The boundaries of the proposed charging areas are set out in the Charging Schedule.
- 4.9 The Viability Assessment notes that there are different viability considerations for different types of retail unit. The viability, and ability to pay a set CIL charge, is primarily related to the type of retail offer and

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<sup>3</sup> Community Infrastructure Levy: Guidance, para 29.

factors such as construction costs. It is proposed that supermarkets/superstores and large retail warehouses are charged CIL at £125/m<sup>2</sup>, whilst other forms of retail are not charged. The Council's Viability Evidence shows that the type of retail development is a more significant factor in the viability than the size of the store. It is therefore proposed that the following definitions are used to identify supermarkets/superstores and retail warehouses for the purposes of determining whether a CIL Charge is payable:

*Superstores/supermarkets - shopping destinations in their own right (of 500m<sup>2</sup> of sales floorspace or more) where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.*

*Retail warehouses - large stores (of 500m<sup>2</sup> of sales floorspace or more) specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering for mainly car-borne customers.*

It is proposed that a threshold of 500m<sup>2</sup> of sales/gross floorspace is included in the definitions to aid the identification of these stores. This proposed threshold is based on an assessment of the floorspace of existing supermarkets/superstores and retail warehouses in the District carried out by SDC, which can be found at appendices C and D.

- 4.10 Whilst the Council's viability evidence indicates that CIL could be charged at £50 or £75 per m<sup>2</sup> on small convenience stores, it is proposed that CIL is set at £0 for these types of development. This is due to the viability evidence indicating that comparison retail development, with the exception of retail warehouses, would not be viable with a CIL charge. It is considered that to charge small convenience stores but not small comparison goods stores would create a competitive advantage for comparison goods stores. It is also considered that the Council would find it difficult to determine which retail use small units will be occupied by at the time planning permission is granted and would have little control or the ability to charge CIL (unless floorspace is added) when different types of retail operators move into the units.
- 4.11 A nil charge has been proposed for some uses, including offices, warehousing, hotels, residential care homes (in C2 use) and agricultural buildings, as the Viability Assessment concludes that the development of units in those uses would be at a significant risk of not being viable across the District if a CIL charge was to be levied.

## 5. Estimated CIL Receipts for Development Proposed in the LDF Core Strategy

5.1 Through the infrastructure planning process, described previously in this document, SDC has been able to show that a funding gap of approximately £19,000,000 exists on the basis of an indicative list of infrastructure projects required to support development. This takes into account other sources of funding that may realistically be available to deliver these infrastructure projects.

5.2 It is estimated that, at the levels of CIL proposed, approximately £5-6 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 and does not take into account the impact of inflation, which will be applied to CIL charges through a link to the RICS All In Tender Price Index or the contribution (5%) that can be used to cover the Council's administrative costs. The methodology applied in making this estimate is set out in Appendix E. In summary, the forecast receipts have 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 2012 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 14% of the dwellings (2 years supply of the 14 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;
- As a result of recent planning permissions for retail development, it has not been taken into account in forecasting the CIL receipts.

5.3 On the basis that the infrastructure funding gap is larger than the forecast receipts from CIL, it is considered that the introduction of the proposed CIL charges is justified.



## 6. Implementation

- 6.1 SDC will prepare an Implementation Plan for CIL that provides further guidance on the implementation of CIL, including the calculation of the charge (including measurement of net internal area), exemptions, relief, payment in instalments, prioritisation of infrastructure spending and monitoring. This will be published before or alongside the adopted version of the Charging Schedule. Initial consideration of a number of these issues is set out below. However, the Council will keep its position on these issues under review.

### Exemptions and Relief

- 6.2 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 be taken into account in considering whether development is likely to qualify for relief or exemption from CIL.
- 6.3 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).
- 6.4 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.
- 6.5 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 Whilst SDC proposes to keep the case for introducing exceptional circumstances relief under review, it is currently considered that there will be little benefit in offering it. There are stringent regulations governing when this relief can be offered and it is for the Council to ensure that any exemption is compliant with EU State Aid legislation. The offer of exemptions in exceptional circumstances is not comparable with the flexibility and negotiation that is available on the Core Strategy affordable housing policy (SP3) and it is anticipated that any policy that was introduced will be applied very rarely, if at all.
- 6.7 SDC also proposes to keep the case for introducing relief for investment development by charities under review. However, it is also considered that it is unlikely to be required in Sevenoaks District as only residential and retail development will be liable to pay CIL under the proposed Charging Schedule and affordable housing is already offered 100% relief. It is considered that the infrastructure requirements resulting from the development of any market dwellings should be met, regardless of whether they are built by a charity. It is unlikely that a charity would undertake new major retail development, as opposed to occupying a small existing but vacant unit, which would not be liable to pay CIL. It is, therefore, considered unlikely that a policy on offering relief for investment developments by charities will be required in Sevenoaks District.

#### Instalments Policy

- 6.8 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). 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. The policy does not have to be subjected to examination along with the Charging Schedule.
- 6.9 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.
- 6.10 SDC will consider the benefits and implications of introducing an instalments policy. If it is decided that a policy should be introduced then it will be published to come into force alongside the adopted Charging Schedule.

#### Monitoring

- 6.11 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.
- 6.12 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.
- 6.13 CIL receipts will only be transferred to infrastructure providers that can provide sufficient information to allow SDC to meet these monitoring requirements.
- 6.14 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.
- 6.15 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 in 2013. SDC would also propose to report on the CIL receipts paid to town and parish councils on an annual basis.

Appendix A: Recent Planning Obligations secured for infrastructure provision / contributions

Applications determined between January 2009 and December 2012:

Application No	Address	Dwellings / Proposal	Decision Date	Types of Contribution		
				Affordable Housing	Total Infrastructure Contributions	Infrastructure Contributions per dwelling
08/02245/OUT	31-37 Park Lane, Kemsing, Sevenoaks, Kent, TN15 6NX	14 dwellings	29/04/2009	No	£30,663.64	£2,190.26
07/01932/FUL	Eden Valley School, Four Elms Road, Edenbridge, Kent, TN8 6AD	40 dwellings and community centre	29/07/2009	Yes (on site)	£92,320	£2,308
08/01915/FUL	Halstead Place School, Church Road, Halstead, Sevenoaks, Kent, TN14 7HQ	33 dwellings	20/02/2009	Yes (on site)	£85,485	£2,758
09/00650/OUT	Sevenoaks Police Station, Morewood Close, Sevenoaks, Kent, TN13 2HX	52 dwellings and 1,228 sq m of office floorspace	06/07/2009	Yes (on site - 21 units)	£30,375	£584.13

09/00274/FUL	St. Bartholomews Hospital Laundry, Bonney Way, Swanley, Kent, BR8 7BL	65 dwellings	27/10/2009	Yes (on site)	£206,520	£3,177.23
09/01319/FUL	Stacklands Retreat House, School Lane, West Kingsdown, Sevenoaks, Kent, TN15 6AN	14 dwellings	30/10/2009	No	£22,512	£1,608
09/01777/FUL	Manordene, Forge Lane, West Kingsdown, Sevenoaks, Kent, TN15 6JD	18 bed residential care home	09/11/2009	n/a	£6,480	£360
09/02322/FUL	Waitrose 58 - 62, High Street Sevenoaks, Kent, TN13 1JR	Supermarket redevelopment (1166 sq m of additional floorspace)	28/01/2010	n/a	£60,000	n/a
09/02415/FUL	Beeches, Mount Harry Road, Sevenoaks, Kent, TN13 3JN	11 dwellings	11/01/2010	No	£19,755	£1,795.95

09/02635/FUL	West Kent Cold Storage, Rye Lane, Dunton Green, Sevenoaks, Kent, TN14 5HD	500 dwellings, 2,300 sq m of commercial floorspace and 460 sq m medical facility	06/05/2010	Yes (on site)	£2,987,099	£5,974
09/02864/FUL	5 Dartford Road, Sevenoaks, Kent, TN13 3SX	11 dwellings	19/03/2010	No	£20,582.50	£1,871.14
10/00998/FUL	5 Dartford Road, Sevenoaks, Kent, TN13 3SX	11 dwellings	26/07/2010	No	£20,582.50	£1,871.14
10/00697/FUL	Deja Vu Nightclub & Restaurant (Formerly The Bull At Birchwood), London Road, Swanley, Kent, BR8 7QB	Hotel and pub / restaurant	30/07/2010	n/a	£15,000	n/a
10/01735/FUL	Former Eden Valley School, Four Elms Road, Edenbridge, Kent, TN8 6AD	40 dwellings and community centre	15/11/2010	Yes (on site)	£92,320	£2,308
10/02968/FUL	94 - 96 London Road, Sevenoaks, Kent, TN13 1BA	12 dwellings	21/01/2011	No	£1,647.83	£137.32

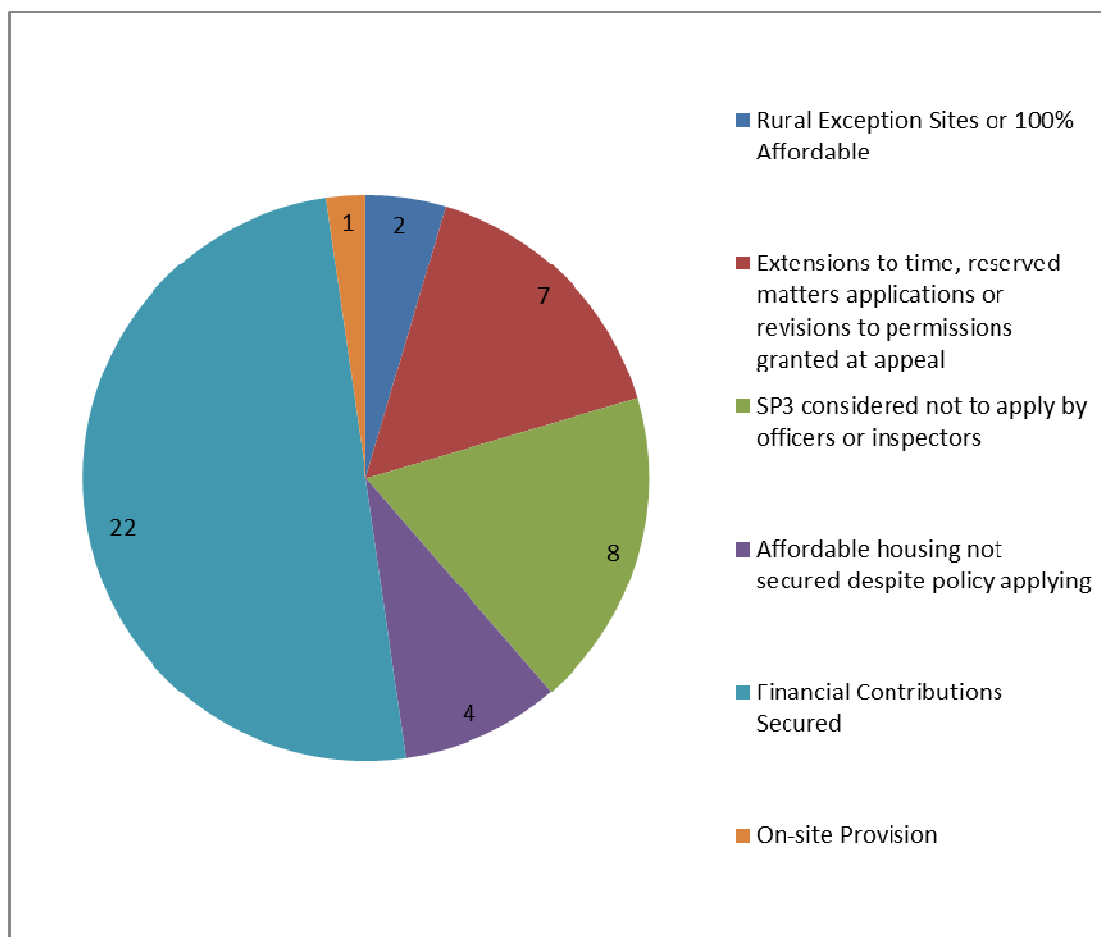
11/02087/FUL	J Sainsbury Plc, Otford Road, Sevenoaks, KENT, TN14 4EG	Extension to supermarket	16/11/2011	n/a	£284,500	n/a
11/02471/OUT	Sevenoaks Police Station, Morewood Close, Sevenoaks, Kent, TN13 2HX	52 dwellings	16/03/2012	yes (on site)	£27,773.72	£534.11
12/01055/FUL	Land rear of Garden Cottages, Leigh	13 dwellings	02/08/2012	yes (on site)	£36,386.28	£2,798.94
12/01279/FUL	Caffyns, 80 London Road, Sevenoaks	Supermarket development	05/09/2012	n/a	£5,000	n/a
11/02258/FUL	Land SW of Forge Garage, High Street, Penshurst	6 affordable dwellings	25/10/2012	all affordable	£3,500	£583.33

## Appendix B: Recent affordable housing provision / contributions

Core Strategy Policy SP3 was adopted in February 2011. It requires:

1. In residential developments of 15 dwellings or more gross 40% of the total number of units should be affordable;
2. In residential developments of 10-14 dwellings gross 30% of the total number of units should be affordable;
3. In residential developments of 5-9 units gross 20% of the total number of units should be affordable;
4. In residential developments of less than 5 units that involve a net gain in the number of units a financial contribution based on the equivalent of 10% affordable housing will be required towards improving affordable housing provision off-site.

The Council expects that provision is made in accordance with this unless, in exceptional circumstances, a developer can show that the requirement would make development non-viable.



Breakdown of Planning Permissions involving a net gain in dwellings between February 2011 and March 2012.

Planning permission was granted for 44 applications that have involved a net gain in the number of dwellings between February 2011 (the adoption of the policy) and 31 March 2012 (the end of the last monitoring period). Of these, 2 were



rural exceptions sites or sites of 100% affordable housing to which SP3 did not apply.

Of the 42 permissions to which SP3 could have applied, 7 were to extend time limits on a previous planning permission, reserved matters applications or revisions to permissions granted at appeal. SP3 was not applied to these permissions. A further 8 permissions were granted on cases to which officers or a planning inspector accepted a case that SP3 should not apply.

Of the remaining 27 permissions, the Council has been successful in securing affordable housing contributions/provision on 23 permissions. This involved financial contributions on 22 permissions and on-site provision on 1 permission.

The table below shows the financial contributions/provision secured:

Site Address	Planning Permission	Decision Date	Dwellings	Affordable Housing	Financial Contribution
10 Cranmer Road	SE/11/00896	03/06/2011	2	0	£18,294
Woodland Chase Blackhall Lane	SE/11/01002	15/06/2011	1	0	£131,629
West Cross Keys House Ashgrove Road	SE/10/02732	07/07/2011	3	0	£174,018
Land Adj to 12 Vine Court Road	SE/11/01355	26/07/2011	1	0	£43,504
1 Oakhill Road, Sevenoaks	SE/11/01662	24/08/2011	1	0	£17,848
Former Elands Veterinary Clinic Station Road	SE/11/01831	09/09/2011	4	0	£29,000
4 West End	SE/11/02235	19/10/2011	1	0	£9,816
9 Wickenden Road	SE/11/02288	31/10/2011	1	0	£13,267
Land adj to 13 Westways	SE/11/02489	28/11/2011	2	0	£22,310
The Flat Above Options 35A High Street	SE/11/02657	09/12/2011	1	0	£5,354
Former Dukes Factory Chiddingstone Causeway	SE/11/02613	16/12/2011	4	0	£20,000
3 St Edmunds Cottages Fawkham Road	SE/11/02837	30/12/2011	1	0	£6,916

101 High Street	SE/11/01709	11/01/2012	1	0	£4,961
26 Woodside Road	SE/11/01651	10/02/2012	1	0	£10,709
Former Bake House 9 High Street	SE/11/02312	13/02/2012	1	0	£9,071
Flat 2 73 Bradbourne Park Road	SE/11/02999	06/03/2012	2	0	£2,900
104 Seal Road	SE/12/00108	16/03/2012	3	0	£20,133
Sevenoaks Police Station Morewood Close	SE/11/02471	16/03/2012	52	21	40% on-site provision
High Wills Hays Main Road	SE/11/02698	19/03/2012	1	0	£15,617
Woodlands 42 Childsbridge Lane	SE/11/03068	27/03/2012	1	0	£22,310
33 Glebe Place	SE/11/01656	28/03/2012	1	0	£11,155
Kentish Yeoman The Kentish Yeoman 10-12 High Street	SE/11/01735	29/03/2012	5	0	£25,000
12 Farm Road	SE/11/02570	30/03/2012	1	0	£8,700

Appendix C: Comparison of the floorspace of stores considered to meet the definition of a retail warehouses with stores selling similar goods that are not considered to be retail warehouses

Non-Retail Warehouse				Retail Warehouse			
Store	Gross Floorspace (sq m)	Net (Sales) Floorspace (sq m)	Source	Store	Gross Floorspace (sq m)	Net (Sales) Floorspace (sq m)	Source
John's House Furnishers, St John's, Sevenoaks	198		GIS	Wickes, Otford Road		2300	Retail Study Update 2009
Bathstore, Dunton Green	260		GIS	Currys, Otford Road		750	Retail Study Update 2009
Bathstore, Swanley	337		SE/03/00318	Carpetright, Otford Road		500	Retail Study Update 2009
Freeland Tiles, Dunton Green	96		GIS	Homebase, Riverside Retail Park		2960	Retail Study Update 2009
Oaks Flooring, St John's, Sevenoaks	73		GIS				
Chartwell Kitchens, Brasted	80		GIS				
Pets, Pantry & Hardware, New Ash Green	80		GIS				
Kitchen Gallery, Otford	73		GIS				

The Following stores have been excluded from this assessment due to the information on net floorspace from the Retail Study Update 2009 not being considered to be accurate:

- Halfords, Riverside Retail Park (sales floorspace of 190 sq m)
- Pets at Home, Riverside Retail Park (sales floorspace of 127 sq m)

Appendix D: Comparison of the floorspace of stores considered to meet the definition of a supermarket/superstore with stores selling similar goods that are not considered to be supermarkets/superstores

Convenience Store					Supermarket				
Store	Gross Floorspace (sq m)	Net (Sales) Floorspace (sq m)	Net convenience floorspace (sq m)	Source	Store	Gross Floorspace (sq m)	Net (Sales) Floorspace (sq m)	Net convenience floorspace (sq m)	Source
Budgens, Hartley	210			GIS	Sainsbury's, Otford Rd	10622	6502		SE/11/02087
Village Post Office and Stores, Hextable	188			GIS	Tesco, Dunton Green	7316	4560	2966	Retail Study 2009
Premier Convenience Store, Kemsing	126			CIL Viability Assessment	Waitrose, Sevenoaks		2298		SE/09/02322
One Stop, Otford	188			CIL Viability Assessment	Tesco, Sevenoaks		1808	1627	Retail Study 2009
Co-op, West Kingsdown	276			CIL Viability Assessment	Co-op, Edenbridge		1115	1059	Retail Study 2009
Marks & Spencer, Sevenoaks		294	294	Retail Study 2009	Asda, Swanley	8612	5343	3741	Retail Study 2009
Tesco, Edenbridge		413		Retail Study 2007	Aldi, Swanley	1211	990		Retail Study 2007
Co-op, Westerham	300			GIS	Lidl, Sevenoaks	1918	1280		SE/12/01279
					Co-op, New Ash Green	802			GIS

## Appendix E: Estimate of CIL Receipts

### Dwellings remaining to achieve Core Strategy Housing Target (from 2012 AMR)

Note: The inclusion of sites in this assessment does not indicate that the Council will allocate them for development or allocate them for the quantum of development set out. These sites are taken from the Council's 2012 Annual Monitoring Report, which provides an indication of how the Council may be able to meet its housing requirements.

Identified Sites	Dwellings	Affordable Housing%	Market Dwellings	Zone
<b><u>Sevenoaks</u></b>				
Hitchen Hatch Lane	17	40	10	A
Land West of Bligh's Meadow	22	40	13	A
Greatness Mills, Mill Lane	20	40	12	A
Cramptons Road Water Works	50	40	30	A
Johnsons (School at Oak Lane/Hopgarden Lane)	18	40	11	A
Sevenoaks School at Oak Lane & Hopgarden Lane	19	40	11	A
BT Exchange	25	40	15	A
Sevenoaks Gasholder Station Cramptons Road	35	40	21	A
<b><u>Swanley</u></b>				
Bus Garage & Kingdom Hall, Swanley	30	40	18	B
Land West of Cherry Avenue	50	40	30	B
United House, Goldsel Road	250	40	150	B
Bevan Place	46	40	28	B
<b><u>Edenbridge</u></b>				
Station Approach	20	40	12	B
<b><u>Rest of District</u></b>				
Foxs Garage, London Road	15	40	9	A

57 Top Dartford Road	14	30	10	B
Land rear of Garden Cottages	13	30	9	A
New Ash Green Village Centre	50	40	30	B
Manor House, New Ash Green	30	40	18	B
Warren Court Farm, Halstead	15	40	9	B
Glaxo Smith Kline, Leigh	75	40	45	A
Land at Croft Road, Westerham	15	40	9	A
Currant Hill Allotments, Westerham	20	40	12	A
Land West of London Road, Westerham	30	40	18	A

<b>Windfalls</b>				
Sevenoaks	198	10	198	A
Swanley	36	10	36	B
Edenbridge	72	10	72	B
Rest of District	126	10	126	50 / 50

### Zone A

Total Number of Market Dwellings on Identified Sites	225
Windfalls (assumed to be on small sites and therefore not providing on site affordable housing)	261
Total Market Dwellings to be granted PP	486
Percentage assumed to be permitted before 2014 (2/14)	14.3%
Dwellings on which CIL is assumed payable	417
Annual delivery of market dwellings per annum until 2026 (12 years)	35

Assumed Residential Floorspace on which CIL is payable per dwelling

Average floorspace of newly build dwellings (CABE)

76 sq m

Assumed percentage of new build floorspace that is replacing existing floorspace on the site (and therefore excluded from the charge) 10%

Note: there is no objective basis for this figure

Assumed floorspace on which CIL is payable per dwelling 68 sq m

Potential Receipts from CIL - Implications of Different CIL Rates for Residential Development in Zone A

£25 per sq m

Per Dwelling = £1,710  
Total = £712,337  
Per Annum = £59,361

£50 per sq m

Per Dwelling = £3,420  
Total = £1,424,674  
Per Annum = £118,723

£75 per sq m

Per Dwelling = £5,130  
Total = £2,137,011  
Per Annum = £178,084

£100 per sq m

Per Dwelling = £6,840  
Total = £2,849,349  
Per Annum = £237,446

£125 per sq m

Per Dwelling = £8,550  
Total = £3,561,686  
Per Annum = £296,807

Zone B

Total Number of Market Dwellings on Identified Sites	305
Windfalls (assumed to be on small sites and therefore not providing on site affordable housing)	171
Total Market Dwellings to be granted PP	476
Percentage assumed to be permitted before 2014 (2/14)	14.3%
Dwellings on which CIL is assumed payable	408
Annual delivery of market dwellings per annum until 2026 (12 years)	34

Assumed Residential Floorspace on which CIL is payable per dwelling

Average floorspace of newly build dwellings (CABE) 76 sq m

Assumed percentage of new build floorspace that is replacing existing floorspace on the site (and therefore excluded from the charge) 10%

Note: there is no objective basis for this figure

Assumed floorspace on which CIL is payable per dwelling 68 sq m



Potential Receipts from CIL - Implications of Different CIL Rates for Residential Development in Zone B

£25 per sq m

Per Dwelling	=	£ 1,710
Total	=	£ 697,680
Per Annum	=	£ 58,140

£50 per sq m

Per Dwelling	=	£ 3,420
Total	=	£1,395,360
Per Annum	=	£ 116,280

£75 per sq m

Per Dwelling	=	£ 5,130
Total	=	£2,093,040
Per Annum	=	£ 174,420

£100 per sq m

Per Dwelling	=	£ 6,840
Total	=	£2,790,720
Per Annum	=	£ 232,560

£125 per sq m

Per Dwelling	=	£ 8,550
Total	=	£3,488,400
Per Annum	=	£ 290,700

Total Based on £125 per sq m in Zone A and £75 per sq m in Zone B

Total	=	£5,654,726
Per Annum	=	£471,227

Total Based on £75 per sq m District-wide

Total	=	£4,230,051
Per Annum	=	£352,504