

**Shepway District Council
Community Infrastructure Levy Examination**

Matters, Issues & Questions

Council response to:

MATTER B: Retail, Strategic & Non-residential Developments

ISSUE 3: Other Developments (B, C1, C2 & D) (table 4)

- a) A £0 / sq. m rate is proposed to be charged district wide for all other non-retail or residential developments.
- b) What infrastructure contributions are currently considered to be required to service these development types and, having regard to the pool cap, is it considered that these can be met using s106 planning obligations?
- c) Is there any basis for a rate other than £0 / sq. m for these types of developments either in the borough as a whole, in any of the proposed zones or on any other use or geographical basis and what effect would such a rate have on viability?

Questions to the Council

- i) Please provide a statement setting out your responses to the questions above.

Council Response

- a) £0 / sq. m rate for all other non-retail or residential developments /
b) Infrastructure contributions and pooling cap?**

Historically development proposals for B, C1, C2 and D class uses in Shepway have requested developer contributions to support access and junction improvements, linked directly to the development of a site. This is a reflection of the lower levels of commercial viability of this range of development across Shepway, with there being little or no scope to seek a broader range of s106 contributions.

The use of s106 planning obligations for infrastructure contributions for site specific matters, is therefore likely to continue for the range of sites supporting this range of development proposals, given a combination of site characteristics, locations and lower levels of commercial viability.

It is also considered that related infrastructure contributions can be met within the limitations set by the pooling cap on s106 agreements, as and when sites come forward for development, for better quality locations and sites. Poorer quality locations and sites may however, require additional gap funding to enable sites to come forward for development.

- c) Is there any basis for a rate other than £0 / sq. m for these types of development?**

The Council's independent CIL and Whole Plan Economic Viability Assessment identifies the range of sites for development types covered by use Classes B, C1, C2 and D, as not being able to accommodate a CIL charge, across all locations in the District, without there being a significant impact on viability and deliverability.

Sections 3.6 to 3.7.10 (pages 83 to 91) on the scope of CIL rates for commercial / non-commercial residential developments, of the Viability Assessment provides a further rationale for their proposed £0 / sq. m CIL rate, in respect of why it is not viable to consider an uplift in proposed CIL rates for sites and locations allocated for B, C1, C2 and D uses. Imposing a higher CIL rate will also reduce the likelihood of these forms of development coming forward and therefore will adversely impact on Local Plan delivery.

Further to the findings of the Viability Study, section 5.7 (page 14) of the Shepway Brownfield Land Strategy (forms part of the Core Strategy evidence base), highlights that sites evaluated have an array of physical constraints which would impact upon, and potentially delay, development. These constraints may be the result of a site's former use or simply due to its location and surroundings. The main physical constraints identified on the subject sites include flood risk, topographical, ground stability, bio-diversity, contamination, utilities and highway issues. These issues not only impact upon development timescales but will frequently incur additional costs that must be borne by the scheme and thus impact upon development viability. Whilst some of the sites evaluated were being considered for residential use, many had a current employment designation at the time of the study.

Additionally, the Shepway Employment Land Review (2011) assessed a range of sites designated for B class uses across the district and found that 6 sites (20ha), were of good quality, 16 sites were of average quality (143.1 ha), and 13 sites were of lower quality (33.8ha). The majority of sites assessed are therefore of average or poorer quality, with the latter category subject to a range of locational and site specific constraints that impacts on their commercial viability for B class uses.

Both studies therefore indicate that employment sites in particular, are likely to be characterised by a range of site specific and infrastructure related constraints, that impact on commercial viability. Whereas some developer contributions toward infrastructure may be secured for the better quality sites, some of the average quality and most of the lower quality sites are likely to require access to enabling / gap funding from the Council and / or 3rd parties, in order to bring forward development. This further demonstrates why an uplift in CIL rates for this range of sites would have an adverse impact on commercial viability and deliverability.