

**Shepway District Council**  
**Community Infrastructure Levy (CIL)**

**Draft CIL Charging Schedule**

**Overview Report**

**May 2015**

(Draft v1: 28<sup>th</sup> May 2015)

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



[www.shepway.gov.uk](http://www.shepway.gov.uk)

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## 1) Purpose of Report

This document, referred to as the Overview Report, has been prepared in support of Shepway District Council's Community Infrastructure Levy (CIL) scheme. It sets out the process and issues taken into account by the Council, in determining its proposed CIL rates and zones. In particular, the report provides further details on the following topics:

- The Core Strategy Local Plan's policies to guide the scale, type and distribution of development across the district, up to 2031;
- The evidence presented by the CIL and Whole Plan Economic Viability Study, in support of the proposed CIL rates and zones;
- The outcome from the consultations on the CIL Preliminary Draft Charging Schedule, and draft CIL Charging Schedule;
- The infrastructure funding gap identified by the draft infrastructure Assessment and Delivery Plan;
- The approximate amount of residential development that could be CIL liable and associated CIL income estimates, up to 2031;
- A review of S106 contributions secured to fund infrastructure from 2010 to 2014; and
- A consideration of how CIL will operate in Shepway, after adoption by the Council.

The overview report should be considered alongside the key documents prepared in support of the development of Shepway's CIL scheme, including:

- The Shepway Core Strategy Local Plan
- The CIL & Whole Plan Economic Viability Study, and Supplementary Reports
- The draft Infrastructure Assessment and Delivery Plan
- The CIL Preliminary Draft Charging Schedule (PDCS)
- The Draft CIL Charging Schedule
- The CIL PDCS Consultation Statement
- The Draft CIL Charging Schedule Consultation Statement
- Draft R123 List

The above documents can be viewed and downloaded via the Council's website at:

<https://www.folkestone-hythe.gov.uk/planning/community-infrastructure-levy>

## **2)Background**

The Planning Act 2008 and Community Infrastructure Levy (CIL) Regulations (2010), as amended (2011, 2012, 2013, 2014), provide for the introduction of CIL. The Regulations set out how CIL can be used to raise infrastructure funds in support of the growth set out by an area's Local Plan.

The CIL Regulations outline the process for establishing a CIL scheme in an area. The core component is the adoption of a charging schedule, which sets out levy rates per sq. m of net new floor space, payable on different types of development and locations.

The process of developing a charging schedule includes consultation on a CIL Preliminary Draft Charging Schedule, followed by consultation on a draft CIL Charging Schedule and draft Regulation 123 (R123) list (indicates proposed use of CIL income). The final stage is Examination in Public of the draft CIL Charging Schedule, followed by formal adoption by a Local Authority's Full Council.

The Government intends CIL to become the primary means of collecting general infrastructure contributions, with S106 agreements to be scaled back to addressing site specific mitigation measures, from April 2015. Individual infrastructure projects will also be limited to 5 pooled S106 agreements from this date, counted back to April 2010. Affordable housing will however, remain subject to S106 agreements. S278 Agreements are also excluded from the CIL Regulations

The rationale for CIL includes a more transparent charge to secure infrastructure funding. The system also offers scope to capture funding contributions from smaller developments.

CIL Regulations also require a proportion of CIL income to be passed on to parish and town councils, resulting from developments in their areas. This amounts to 25% of CIL income for areas with a neighbourhood plan, and 15% for other localities.

### **3) Executive Summary**

The Planning Act 2008 and Community Infrastructure Levy (CIL) Regulations (2010), as amended (2011, 2012, 2013, 2014), provide for the introduction of CIL, as a means to raise infrastructure funds in support of the growth set out by an area's Local Plan. The Regulations also set out the process for establishing a CIL scheme, with the core component being the adoption of a charging schedule, which sets out levy rates per sq. m of net new floorspace, payable on different types of development and locations.

Adopted in September 2013, Shepway's Core Strategy Local Plan sets out a long term vision for the district, by directing and managing land use and developments from 2006 to 2031, including approximately 8,800 new dwellings, 20ha gross of industrial, warehousing and office developments, and 35,000 sq. m of gross retailing space, by the end of the plan period. The plan also identifies strategic development sites at Folkestone Harbour and Seafront and Shorncliffe Garrison, and key sites in Sellindge and New Romney, where large scale residential developments will be supported.

The Council commissioned a CIL and Whole Plan economic viability assessment in April 2014 to test and evaluate which developments and locations could absorb a CIL charge without their being an adverse impact on the delivery of the Local Plan. The study's findings recommended that residential developments in mid to higher value market areas would be able to absorb a CIL charge. In lower value residential market areas, CIL would however, have a negative impact on commercial viability. The study's findings also recommended that only larger scale 'non Folkestone town centre' retail developments would be able to absorb a CIL charge. The study also recommended that the Local Plan's strategic and key developments sites should be considered CIL exempt because of the stage they were at in the planning process, the complex nature of associated S106 agreements, and the additional costs associated with larger scale brown field regeneration developments.

The Council issued its CIL Preliminary Draft Charging Schedule (PDCS) for consultation from the 18<sup>th</sup> August to 23<sup>rd</sup> October 2014. The PDCS proposed 4 residential charging zones – zone A (£0 per sq. m); zone B (£50 per sq. m); zone C (£100 per sq. m); and zone D (£125 per sq. m). The PDCS also proposed to levy a CIL rate of £100 per sq.m for large retail developments located out with Folkestone town centre. Strategic and key sites at Folkestone Harbour and Seafront, Shorncliffe Garrison, Sellindge and New Romney were also zero rated for CIL.

20 representations were received during the CIL PDCS consultation. Key points included – a need to further clarify what's meant by large scale retail developments; and a request for further information on how the viability study has modelled sheltered / retirement housing. The latter point was subsequently addressed through a supplementary report, which recommended that sheltered / retirement housing continues to form part of the C3 residential use class for the purpose of CIL. The former point has been addressed by the Draft CIL Charging Schedule.

A Draft CIL Charging Schedule, which takes account of the representations received on the PDCS, was issued for consultation from the 9<sup>th</sup> February to the 23<sup>rd</sup> March 2015. The proposed CIL rates and zones remained as per those in the PDCS, albeit further detail was provided in the form of maps, along with a clearer definition of large scale retail developments and locations.

13 representations were received during the draft CIL Charging Schedule consultation. The most significant was from an agent acting on behalf of a developer, who challenged the proposed residential CIL rates on the grounds that the viability study had overestimated residential values and underestimated construction and land costs. The Council's retained

viability consultants subsequently reviewed the representation and found that the study's findings and the proposed CIL rates remained robust and would not adversely affect delivery of the Local Plan.

The Core Strategy Local Plan's infrastructure assessment and delivery plan identifies a total infrastructure bill of £114 up to 2031. Given available information, the assessment also identified a potential funding gap of between £18.6 million and £64 million over the plan period, with the gap size dependent on the outcome of a number of funding bids and investment decisions by infrastructure partners. The Council has published a draft Regulation 123 list which indicates the types of infrastructure that will be considered for CIL support, after the adoption of a Charging Schedule.

A review of housing sites based on the available SHLAA, indicates that approximately 2,000 dwellings may be liable for CIL over the life span of the Local Plan. This suggests that only £7.5 million will be available to fund infrastructure up to 2031 from CIL, assuming all proposed residential developments are built.

The Council aims to submit its draft CIL Charging Schedule, supporting evidence and documents during July 2015, for Examination in Public. Assuming receipt of the Inspector's findings by late autumn 2015, the Council may be in a position to adopt a CIL Charging Schedule by the end of 2015.

## **4)Development Plan**

### ***Background***

The Core Strategy Local Plan sets out a long term vision for the district, and brings together the aims and actions of the government, District and County Councils, residents, businesses and voluntary groups, by directing and managing land-use and developments. The Core Strategy was adopted as part of the statutory development plan for the district on 18<sup>th</sup> September 2013, with the general plan period for the document running from 2006 to 2031.

The document sets out policies to guide the scale, type and distribution of development. Key extracts are summarised as follows.

### ***District Spatial Strategy***

The District Spatial Strategy's proposed key features of change, and major proposals for delivery, include:

- Develop Folkestone's centre, employment sites and deprived residential neighbourhoods, led by major opportunities on 'brownfield' land, and improved connectivity (policies SS1, SS3, SS4, SS6, SS7 & CSD6).
- Focus major new development in Hythe on regenerating the west/south of the town, and maintain the character and vitality of the town centre (policies SS2, SS3, SS4 & CSD7). Regenerate Romney Marsh through a positive approach to sustainable economic development and infrastructure opportunities, and through increasing the strategic role of New Romney town in serving the area (policies SS1, SS4, CSD3 & CSD8).
- Improve precious habitats, critical landscapes and efficiency of natural resource use (including water) in Shepway, and manage carbon emissions and flood risks in response to climate change (policies SS1, SS3, CSD4 & CSD5).
- Target construction of 400 dwellings per year (minimum 350) to 2026, with over two thirds on brownfield land (policies SS2 & SS3).
- Aim to deliver an average of approximately 1 hectare per year (to 2026) of office/industrial premises (policies SS3, SS4, & CSD6-8).
- Accommodate new retail, leisure and an improved public environment at Folkestone, Hythe and New Romney town centres (policies SS3, SS4 & CSD6-8).
- Secure resources from developers for new physical and social infrastructure through developer contributions/the Community Infrastructure Levy (policy SS5).
- Provide public access to major new green infrastructure for Folkestone, Hythe and the district at Seabrook Valley and elsewhere (policies SS7 & CSD4).

### ***Housing and Economic Growth Strategy***

The Core Strategy's Housing and Economic Growth Strategy (Policy SS2), establishes the quantity of required development for housing and jobs. It sets out a core long term objective of delivering an average minimum of 350 dwellings (Class C3) per annum, from 2006/7 and up to 2030/31. To support housing delivery, a target is set to provide for approximately 8,800 dwellings, by the end of the plan period.

Allied to this rate of housing delivery, business activity and the provision of jobs will be facilitated through - supporting town centres; the protection of sufficient employment land across the district; and concerted efforts to deliver rural regeneration (especially in south and west Shepway). To support delivery, a target is set to enable development of approximately 20ha gross of industrial, warehousing and office developments (B classes), from 2006/7 to 2025/26; and approximately 35,000 sq. m gross of goods retailing space (Class A1).

<b><i>How the housing minimum requirement will be delivered through the plan period</i></b>	<b><i>Contribution (net dwellings)</i></b>
<i>1. Delivered in the first 5 years of plan period (2006/07 to 2011/12)</i>	<i>1,600</i>
<i>2. Delivery through allocated development sites (policies SS6-7 and saved Local Plan provisions)</i>	<i>3,300</i>
<i>3. Windfall sites</i>	<i>1,000</i>
<i>4. Delivery (minimum) through further Local Plan provisions and planning permissions</i>	<i>2,900</i>
<i>Total 2006/07 – 2030/31 (minimum)</i>	<i>&gt;8,800</i>

### ***Strategic Allocations***

The Core Strategy identifies two strategic site allocations at Folkestone Seafront, and Shorncliffe Garrison. Policies for each are summarised as follows:

- The spatial Strategy for Folkestone Seafront (Policy SS6) – allocated for mixed-use development, providing up to 1,000 homes, in the region of 10,000 sq. m of floor space comprising small shops and retail services (A use classes); office (class B1); and other community and leisure (C1, D1, D2 and sui generis uses); together with beach sports and sea sports facilities; and with associated and improved on and off site community and physical infrastructure.
- The spatial Strategy for Shorncliffe Garrison (Policy SS7) - allocated for a predominantly residential development of around 1,000 dwellings to 2026 (and up to 1,200 by 2031); an improved military establishment; together with a hub of new community facilities; associated enhancements to sports and green infrastructure; and on and off-site travel infrastructure upgrades.

### ***District Infrastructure Planning***

The Core Strategy's approach to District Infrastructure Planning (Policy SS5) highlights that development should provide, contribute to, or otherwise address Shepway's current and future infrastructure needs.

The policy states that CIL and developer contributions will be used to secure resources contributing towards essential infrastructure needs. In addition to securing CIL and developer contributions as part of the planning application process, development proposals in the district will be expected to demonstrate that:

- The design of a development aims to reduce unnecessary or unsustainable demands on physical and social/community infrastructure or utility network capacity.
- Development does not jeopardise current or planned infrastructure.
- The location, design or management of development provides a choice of means of transport and allows sustainable travel patterns, for pedestrians, cyclists and / or public transport. All major trip-generating uses will provide travel plans.
- Developments reflect the principle that infrastructure should be used more efficiently, or demand managed more effectively, before the need to increase capacity or deliver new infrastructure is created.



### ***Critical and Necessary Infrastructure***

The Core Strategy identifies a range of critical and necessary infrastructure measures and projects that are required to support the delivery of the Local Plan's quantum of development across Shepway's settlements and communities. The distinction between critical and necessary infrastructure is made, to provide initial guidance for planning and investment decisions.

Critical infrastructure is defined as including:

- Measures to improve a choice of travel options and minimise the environmental impact of transport, including investment in High Speed 1 rail stations and key highway/ junction upgrades;
- Upgrading flood defences and maintaining coastal engineering;
- The provision of social/community facilities (including schools) and green infrastructure required for the development of strategic sites, or major sites with planning permission.

The Core Strategy defines necessary infrastructure as including other 'non-critical' projects considered to be potentially important for delivery of the Core Strategy.

### ***Draft Places and Policies Local Plan***

In support of the delivery of the Core Strategy's objectives, a draft Places and Policies Local Plan was issued for a period of public consultation during January / February 2015. The draft considers a range of key issues relevant to the allocation of sites for development and other purposes; and sets out a range of development management policy options.

Representations received on the draft document were subject to review during the spring and early summer 2015.

## 5)CIL & Whole Plan Economic Viability Assessment

In setting CIL rates, the Planning Act 2008 and CIL Regulations, direct Charging Authorities to strike an appropriate balance between infrastructure and costs necessary to support the level of development forecast by the local plan, and development viability. Regulations and guidance also indicate that CIL is not generally expected to cover the entire cost of this infrastructure, with it forming part of a wider package of private and public sector funding.

To ensure that CIL would not put at risk the delivery of Shepway's Core Strategy Local Plan, the Council commissioned Dixon Searle Partnership (DSP) to undertake a CIL and Whole Plan viability study. The assessment considered the cumulative impact of the Core Strategy Local Plan's policy requirements, including those relating to affordable housing provision. The study used a residual land valuation model, and also reviewed a range of evidence and market information on land and property values. A typology of development sites and development scenarios that reflected the composition of development opportunities across the district was also tested to assess the impact of CIL rates. The proposed CIL rates and zones have therefore been set with regard to this evidence and are considered appropriate in that they will maintain the viability of developments necessary to deliver the Core Strategy.

The study was published alongside the CIL PDCS consultation document. Following representations made in response to the consultation, further work was undertaken by DSP and this was published as a supplementary report as part of the consultation on the draft CIL Charging Schedule.

The CIL rates and zones proposed by the Draft CIL Charging Schedule, are based on the results of the viability study. Key findings include:

- Shepway has a wider range of residential sales value areas than found in many other local authority areas, ranging from comparatively low value locations including parts of East Folkestone and rural locations such as Lydd, and comparatively high value areas in the North Downs, including Eilham.
- The ability of residential developments to sustain a level of CIL is influenced by value areas and policy requirements, the most significant relating to affordable housing – e.g. a low value area plus full affordable housing requirement, equates to a scenario, which renders developments unviable if a significant CIL rate is also imposed.
- The above 2 points have combined to mean that the most appropriate way to ensure a viable level of CIL charge on residential developments is to differentiate CIL rates according to a range of charging zones that reflect value areas as far as is practicable, across the district.
- Larger convenience and comparison retail developments such as supermarkets and retail warehouses were found to be able to accommodate a significant CIL rate, if located out with Folkestone town centre. Developments in the town centre would however struggle if a CIL charge were to apply.
- All other development categories were found to be at the margins of viability if CIL were to apply.
- Given the higher on-site infrastructure costs associated with larger and more complex development sites, consideration should be given to exempting larger and strategic development sites from paying CIL, with the focus remaining on securing infrastructure contributions via s106 agreements, within the limits imposed by the scaling back of planning obligations from April 2015.

In the context of the final point above, the Core Strategy's strategic and key sites at Folkestone Harbour and Seafront, Shorncliffe Garrison, Sellindge and New Romney, will be

exempt from CIL with most Infrastructure costs met through S106 agreements. This also applies to the Nickolls Quarry development.

In conclusion, the evidence presented by the viability study indicates that the proposed CIL rates and zones will not prevent the delivery of the scale and distribution of developments set out by the Shepway Core Strategy Local Plan.

## 6) Proposed CIL Rates and Zones

Based on the findings of the viability study, the Draft CIL Charging Schedule, proposes the CIL rates shown by the following tables for residential, retail and commercial developments in the District:

<b>Table 1: Residential Developments (C3 &amp; C4 uses, including sheltered accommodation)</b>	
<b>Zone (as per maps at appendices 1 &amp; 2)</b>	<b>CIL rate /£ per sq m</b>
A	£0
B	£50
C	£100
D	£125

<b>Table 2: Retail Developments</b>		
<b>Zone</b>	<b>Development (A1 to A5 uses)</b>	<b>CIL rate / £ per sq m</b>
<b>Folkestone Town Centre Area (appendix 3)</b>	<b>All convenience and comparison retail and other development akin to retail</b>	<b>£0</b>
<b>Rest of district</b>	<b>Supermarkets, superstores, and retail warehousing (net retail selling space of over 280 sq m) (a &amp; b)</b>	<b>£100</b>
<b>Rest of district</b>	<b>Other large scale development akin to retail (net retail selling space of over 280 sq m) (c)</b>	<b>£100</b>
<b>Rest of district</b>	<b>Other retail development and developments akin to retail (net retail selling space up to 280 sq m)</b>	<b>£0</b>
<i>Notes</i>		
<i>a) Superstores/supermarkets are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.</i>		
<i>b) Retail warehouses are large stores 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.</i>		
<i>c) Includes sui generis uses akin to retail including petrol filling stations; selling and/or displaying motor vehicles; and retail warehouse clubs.</i>		

<b>Table 3: Strategic &amp; Key Development Sites</b>		
<b>Core Strategy Local Plan policies (appendix 4)</b>	<b>Development (A, B, C &amp; D uses)</b>	<b>CIL Rate / £ per sq m</b>
<b>SS6</b>	<b>Folkestone Harbour &amp; Seafont</b>	<b>£0</b>
<b>SS7</b>	<b>Shorncliffe Garrison</b>	<b>£0</b>
<b>CSD8</b>	<b>New Romney Masterplan</b>	<b>£0</b>
<b>CSD8</b>	<b>Sellindge</b>	<b>£0</b>
<i>Note: The Council considers that the above strategic &amp; key development sites are more appropriately addressed by s106, given their scale and stage in the planning process.</i>		

<b>Table 4: Other Developments (B, C1, C2 &amp; D uses)</b>	
<b>Other</b>	<b>CIL Rate – per sq m</b>
<b>All other developments (district wide)</b>	<b>£0</b>

The maps at appendix 1 show the locations for the above CIL zones.

## 7) Consultation and Examination in Public

As per the CIL Regulations, Shepway District Council has undertaken 2 rounds of public consultation during the development of its Draft CIL Charging Schedule, so as to seek views on the proposed CIL rates and zones:

- A consultation on a CIL Preliminary Draft Charging Schedule (PDCS), from the 18<sup>th</sup> August to the 13<sup>th</sup> October 2014; and
- A consultation which took into account representations received on the CIL PDCS, on a Draft CIL Charging Schedule, from the 9<sup>th</sup> February to the 23<sup>rd</sup> March 2015.

More details on the consultations can be found in the Council's CIL PDCS Consultation Statement, and the draft CIL Charging Schedule Consultation Statement. Key points raised during both consultations, and the Council's response, are summarised as follows:

### ***CIL PDCS Consultation***

During the consultation period, the Council received 20 responses on the CIL PDCS, from a number of organisations and stakeholders. Comments received required the Council and its retained viability study consultants (Dixon Searle Partnership), to consider the following matters and issues further, in the preparation of the draft CIL Charging Schedule and supporting documents:

- CIL Regulations and policies: the benefits of introducing an Instalments policy; a payment in kind policy; and an exceptional circumstances relief policy. **Response:** The Council proposes to introduce an instalments policy and payment in kind policy; the Council does not however consider there to be a need for an exceptional circumstances relief policy, due to the evidence and analysis underpinning the proposed CIL rates.
- CIL & Whole Plan Economic Viability Assessment: further clarification required on how the study has considered costs associated with retail developments' planning obligations. **Response:** the Viability Study uses a Whole Plan approach to assessing the impact of proposed CIL rates, which includes consideration of all associated policy and planning obligation impacts.
- Proposed CIL rates for retail developments: further clarification required on – what's meant by large scale retail developments (e.g. could floorspace thresholds be used to define more clearly?); the benefits of including maps to distinguish 'town centre and non town centre locations' (if considered an appropriate option); and the need to provide a cross reference to Use Class Order (A1 – A5). **Response:** the Draft CIL Charging Schedule will address these comments in a revised approach to defining town centre and non town centre locations for retail developments.
- Proposed CIL rates for residential developments: further clarification required on how the viability study's modelling of a sheltered / retirement housing scheme has taken into account related development costs. **Response:** further analysis and production of a supplementary report by Dixon Searle Partnership indicates that there is no need to differentiate between residential developments and sheltered / retirement housing, in setting CIL rates.
- Draft Regulation 123 List: further consideration required on – the scope and focus of the draft R123 list; and its relationship to how s106 agreements will continue to be

used. **Response:** draft R123 list to be amended to reflect issues raised by respondents.

### **Draft CIL Charging Schedule**

During the consultation period, the Council received 13 responses on the draft CIL Charging Schedule, from a number of organisations and stakeholders. Comments received required the Council and its retained viability study consultants (Dixon Searle Partnership), to consider the following matters and issues further, in reviewing whether changes were required to the CIL Charging Schedule and supporting documents:

- GVA, on behalf of Taylor Wimpey challenged the proposed CIL rates and supporting viability evidence for residential development, citing a different perspective on development scenarios, residential sales values, construction costs, and land values. **Response:** The Council's retained viability consultants, Dixon Searle Partnership (DSP), have considered GVA's representation and produced a supplementary analysis attached, which indicates the proposed residential CIL rates remain appropriate and robust. No other developers or their agents submitted similar representations.
- Planning Potential, on behalf of ALDI Stores Ltd, requested that the Council reconsider the proposed 280 sq m retail floorspace threshold before a CIL charge applies, for all proposed comparison and convenience retail developments outside of Folkestone Town Centre, in favour of a higher 2,500 sq. m threshold. **Response:** DSP have reviewed this representation and consider that there are no viability grounds for adjusting the retail floorspace threshold to a significantly higher level.
- The Country Land and Business Association (CLA) asked for clarification on how CIL will apply to the build to rent private sector residential market. **Response:** DSP have considered the current CIL Regulations and their view is that this market segment would need to be considered in the same way as market housing developed for sale, for the purpose of CIL.
- Savills, KCC, Kent Police, and English Heritage, have requested further clarity on the draft Regulation 123 list, particularly the distinction between what CIL will fund, and projects that will be funded by S106 agreements. **Response:** Comments have been considered and further discussions have been held with KCC officers. Appropriate amendments have subsequently been made to the draft Regulation 123 list.
- The CLA and GVA requested that SDC review its draft Installments Policy, to take account of project completion rather than commencement in the case of the CLA; and development phasing for larger schemes in the case of GVA. **Response:** The CIL regulations set a default position of project commencement for all CIL payments, so it is proposed to maintain this position in Shewpay. CIL Regulations allow for an installments policy to relate to development phasing so this is now reflected in an amended Installments Policy.

Having taken into account representations received in response to the Draft CIL Charging Schedule, the Council has now submitted its CIL Charging Schedule and supporting evidence to the Planning Inspectorate, for an Examination in Public (EIP). There are no changes to the CIL rates and zones proposed by the Draft CIL Charging Schedule, with this now forming the document to be considered by the EIP.

All representations submitted on the Draft CIL Charging Schedule have been made available to the independent examiner appointed to consider whether the Council has met the requirements of the CIL Regulations, and guidance in preparing a charging schedule.

## **8)Infrastructure Assessment and Funding Gap**

### ***Context***

The CIL regulations guide Local Authorities to assess the global infrastructure, required to support the delivery of a Local Plan. In undertaking this assessment, they should consider known and anticipated infrastructure projects, and their actual or indicated costs. Where possible, consideration should also be given to all available funding sources. The final part of the assessment is to identify whether there will be an infrastructure funding gap over the life cycle of the Local Plan. If this is present then the CIL Regulations enable a Local Authority to seek to set a CIL charge on developments, to help address this funding gap.

### ***The Council's Infrastructure Assessment and Delivery Plan***

This Infrastructure Delivery Plan (IDP), initially drafted in June 2014, and subsequently updated in December 2014 following comments received as part of the CIL PDCS consultation, has been produced to support the delivery of the Shepway Core Strategy Local Plan's long term vision and policies on the scale, type and distribution of development, in the district, over the time period 2006 to 2031. It takes as its starting point the Core Strategy's infrastructure assessment, and seeks to update this in respect of headline cost estimates, timing of delivery, funding sources and funding gaps.

The Core Strategy Local Plan's infrastructure assessment and the IDP update provide a reference document to assist the Council and its partners address infrastructure priorities. The Council will therefore, on an ongoing basis, discuss the assessment and IDP further with Kent County Council, Parish and Town Councils, the South East LEP, and Government Agencies.

### **Infrastructure Assessment**

The review of the Core Strategy Local Plan's infrastructure assessment produced a June 2014 snapshot, subsequently updated during December 2014, of the strategically critical and necessary infrastructure projects and initiatives required to support the quantum of development projected by the Core strategy up to 2031, across a broad range of infrastructure categories, including – education, flood defences, green infrastructure and transport.

The distinction between critical and necessary infrastructure is made, to provide initial guidance for planning and investment decisions. Critical infrastructure is defined as including:

- Measures to improve a choice of travel options and minimise the environmental impact of transport, including investment in High Speed 1 rail stations and key highway/ junction upgrades;
- Upgrading flood defences and maintaining coastal engineering;
- The provision of social/community facilities (including schools) and green infrastructure required for the development of strategic sites, or major sites with planning permission.

The Core Strategy defines necessary infrastructure as including other 'non-critical' projects considered to be potentially important for delivery of the Core Strategy.

Appendix 2 provides a detailed cost breakdown for critical and necessary infrastructure needs, with key findings summarised as follows:



- Up to 2031, infrastructure costs are estimated at over £114 million at 2014 prices (£48.6 million for critical infrastructure; and £65.4 million for necessary infrastructure).
- Up to 2031, a potential funding gap of over £18.6 million currently exists, if all infrastructure funding contributions currently under consideration and discussion come to fruition. In the worst case scenario, should no funding contributions materialise, the funding gap up to 2031 grows to over £64 million.
- Up to 2020, £86 million of infrastructure investment has been identified by delivery partners (£46 million for critical infrastructure projects; and £40 million for necessary infrastructure projects). For the period up to 2020, available information puts potential funding confirmed at over £42.6 million, with over £43.4 million of funding to be confirmed and / or identified.

The term 'potential funding confirmed' is used to describe infrastructure investment that has been identified in a delivery partner's programme of investment or granted from an awarding organisation. It includes projects and funding allocations identified by the Environment Agency's FCRM1 Medium Term Plan for 2015/16, which accounts for approximately £35 million of the 'confirmed funding' for critical and necessary infrastructure up to 2030/31.

A number of the infrastructure projects considered are currently part of live and / or pending planning applications; subject to funding discussions with partner organisations; bids for funding support to grant and investment making bodies; and s106 discussions, with agreements to be confirmed and signed off. Progress on this activity will therefore influence the parameters of the infrastructure assessment and funding gap analysis, beyond the December 2014 snapshot.

## **9) Estimated CIL Income**

The Infrastructure assessment chapter of this document indicates that up to 2031, a potential funding gap of over £18.6 million currently exists, if all infrastructure funding contributions currently under consideration and discussion come to fruition. In the worst case scenario, should no funding contributions materialise, the funding gap up to 2031 grows to over £64 million.

The Core Strategy proposes a minimum total of over 8,800 new dwellings across the district from 2006 to 2031. Of the total approximately 2,000 dwellings are likely to be CIL liable, given a combination of new dwellings developed in zero rated CIL zones, affordable housing needs, pre-existing planning permissions, and planning consents likely to be concluded before the commencement date of a CIL charging schedule.

Based on the proposed CIL rates - In terms of estimated CIL income from residential dwellings, appendix 3 indicates that approximately £9.2 million could be raised up to 2031, Caution does however need to be exercised on the estimates, given they are based on full delivery of residential development sites identified by the Local Plan and SHLAA, and benign market conditions prevailing over a long period of time.

The amount available to fund infrastructure is however, further reduced due to the need to net off a 5% administration cost, and allocate neighbourhood funds to Parish and Town Councils at either a 15% or 25% rate, the latter applying in areas with an adopted neighbourhood plan. Up to 2031, this amounts to approximately £460,000 for administrative costs, and just over £1.3 million if the lower 15% allocation to Parish and Town Councils is assumed.

Therefore given the deductions, approximately £7.5 million could be available from residential CIL income up to 2031, to fund infrastructure.

The figures shown above are only estimates of the likely funds that will be raised following the introduction of the CIL Charging Schedule. Comparing these estimates with the figures shown in the Infrastructure Assessment and Delivery Plan indicates however, that a significant funding gap exists.

## **10) S106 Contributions by Infrastructure Type – 2010 to 2014**

Appendix 4 indicates that during the 5 year period to 2014, S106 agreements raised approximately £7.5 million to fund the district's infrastructure needs. Over 70% of the funding secured is allocated to education, and within this category the vast bulk of the investment will be allocated to improving the district's primary school provision, in response to the developments on strategic and key sites.

## **11) CIL Timetable and Operation**

### ***Timetable***

Before CIL becomes operational in the District, the Council's proposed CIL rates are considered further at an Examination in Public, by and independent inspector. It is only after the publication of the Inspector's findings and recommendations that the Council will be in a position to formally adopt a CIL Charging Schedule.

The Council will aim to submit its draft CIL Charging Schedule and supporting evidence, to the Planning Inspectorate during July 2015, with a view to there being an Examination in Public (EIP) in late summer or early autumn 2015.

Assuming receipt of the Inspector's EIP findings, by late autumn 2015, the Council may be in a position to adopt a CIL Charging Schedule by the end of 2015.

In advance of this, the Council has produced the following information in support of CIL implementation and operation:

### ***Draft Regulation 123 List***

The draft Infrastructure assessment and delivery plan provides the broader reference framework for CIL in that it:

- Identifies a wide range of infrastructure required to support delivery of the Core Strategy Local Plan.
- Provides a reference framework for partner organisations, service and infrastructure providers, and stakeholders.
- Provides an indication of Infrastructure costs and funding sources.
- Highlights funding gaps to be addressed by CIL receipts and other funding sources.

The Infrastructure assessment's identification of infrastructure funding gaps in particular, and in accordance with CIL regulations, provides a key justification for a local authority seeking to establish a CIL charging schedule.

CIL Regulations require that a local authority also publishes the types of infrastructure to be part funded by CIL income, via an R123 list. The list can focus on infrastructure types or projects, identified by the Infrastructure assessment, and which a local authority considers appropriate for support by CIL income.

The Council issued a draft R123 list as part of the consultation on the Council's draft CIL Charging Schedule. Following representations received, the draft at appendix 5 has been further revised to reflect comments, and focuses on identifying infrastructure types to be wholly or partly funded by CIL; and project exclusions to be funded wholly or in part by S106 agreements, and which should also comply with CIL Regulation 122.

### ***Discretionary Relief***

The CIL regulations allow a charging authority to permit discretionary relief from CIL (e.g. where a reduced or nil payment may be accepted). These cases are likely to be rare but could include the following:

- Development by charities for investment activities (as defined by Regulation 44);

- Development by charities where relief would normally constitute State Aid (as defined in Regulation 45); and
- Where a charging authority considers there are exceptional circumstances to justify relief (as defined in Regulation 55), in cases where a development is – subject to planning obligations; where payment of CIL would have an unacceptable impact on economic viability; and where granting of relief wouldn't constitute a state aid.

### ***Discretionary Charitable Relief***

It is not the intention of the Council to offer discretionary charitable relief at present, given the availability of mandatory relief. It is considered that such a policy would impose an additional level of complexity in the administration and management of the CIL. The CIL Regulations allow a policy of this kind to be introduced at any stage. The Council will therefore keep this under review as part of the regular post adoption monitoring of the CIL system.

### ***Discretionary Exceptional Circumstances Relief***

It is not the intention of the Council to offer exceptional circumstances relief at present. The circumstances in which a policy of this nature would be likely to be used would be extremely rare given that the CIL rate is set based on viability evidence. It would also impose an additional level of complexity in the administration and management of the CIL charge.

The CIL Regulations allow a policy of this kind to be introduced at any stage. The Council will therefore keep this under review as part of the regular post adoption monitoring of the CIL system.

### ***CIL Instalments Policy***

Regulation 69B of the CIL Regulations 2010 (as amended), gives a Local Authority discretion to introduce an instalments policy for the payment of CIL.

Where an instalment policy is not in place, Regulation 70 (7) of the CIL (Amendment) Regulations 2011, sets a default of full payment of due CIL payments within 60 days of the commencement of a liable development.

A CIL instalments policy differs from s106 payments in that it requires payment a certain number of days after commencement of a development, rather than linking payment to completion or occupation, of parts or all of a development.

The benefits of offering an instalments policy relate mainly to helping developer's cash flow on projects that are complex, or are of a scale so as to require a phasing of development. The disadvantages of the policy include an increase in the amount of time and resources that may need to be allocated to administering CIL by a Council and developers.

On balance and in tune with the CIL Regulations emphasis on ensuring CIL charges do not compromise development viability, and in accordance with Regulation 69B of the CIL Regulation, Shepway District Council proposes to introduce a CIL instalments policy as part of the CIL Charging scheme in the District, according to the scale of CIL liable developments.

### ***CIL Payment in Kind Policy***

The Community Infrastructure Levy (CIL) Regulations 2010 (as amended), provide a local authority with the discretion to accept land, buildings or infrastructure payments, as all or part of a CIL payment due in respect of a liable development.

Regulation 73 specifies that an agreement to accept land and buildings as payment in kind would be where the value of CIL paid is equal to the agreed value of the land and buildings acquired in kind (as determined by an independent person). Other key aspects of regulation 73 include:

- the amount of CIL payable for a development must be greater than £50,000 (Regulation 73(6) (a));
- the person from whom land is acquired has assumed liability to pay CIL (Regulation 73(6) (c)); and
- an agreement to make a land payment must be entered into before the development is commenced (Regulation 73(6) (d)).

CIL Regulations 73A and 73B also provide a local authority with the discretion to accept infrastructure payments as all or part of a due CIL payment. A key requirement is for an infrastructure payment to be in scope with the types of project covered by a Council's Regulation 123 list. An agreement for infrastructure payments must also be entered into before development commences.

The benefits of adopting a payment in kind policy include supporting the delivery of developments that are complex in their nature and scale. The disadvantages include a requirement for additional administrative and technical resources and costs for a Council and developers, in the administration of CIL. On balance however, the Council proposes to introduce a CIL payments in kind policy as part of the CIL Charging scheme in the District.

### ***CIL Regulation 122 - S106 & S278 Agreements***

CIL Regulation 122 (R122) introduced three legal tests governing the use of planning obligations by stating that they may only be used if they are:

- Necessary to make the development acceptable in planning terms;
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development.

The use of planning obligations as defined by R122 is further restricted by CIL Regulation 123 which limits their use to 5 pooled Section 106 agreements, to fund an infrastructure project or type of infrastructure. The scaling back of s106 agreements comes into effect from 6<sup>th</sup> April 2015, and covers all s106 planning obligations entered into from 6<sup>th</sup> April 2010. S278 Agreements are however exempt from the CIL regulation's pooling restrictions.

The Council's draft R123 list highlights which infrastructure types will be wholly or partly funded by CIL; and which project exclusions will be funded wholly or partly by S106 agreements. The Council will therefore assess planning applications to determine whether their scale and impact merits specific site mitigations measures, in respect of the '3' tests stated by R122. If they comply with R122, the Council will enter into discussions with developers with a view to securing S106 Agreements.

The CIL regulations allow a development to both a CIL charge and S106, so long as there is a clear distinction on what infrastructure type or projects each source will help to fund.

Affordable housing will continue to be covered by S106 agreements, and will also be exempt from CIL.

**Appendix 1: Proposed CIL Rates and Zones**

(The appendices references for each of the following maps refer to the notations given by the table on CIL rates, produced in the main body of this report).

**APPENDIX 1: CIL charging zones for residential developments.**



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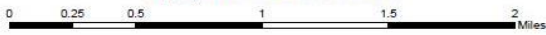
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**APPENDIX 2:  
CIL charging zones for  
residential developments.**

**Folkestone Town Inset Map**



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**Appendix 3: Folkestone Town Centre Retail & Commercial Area**



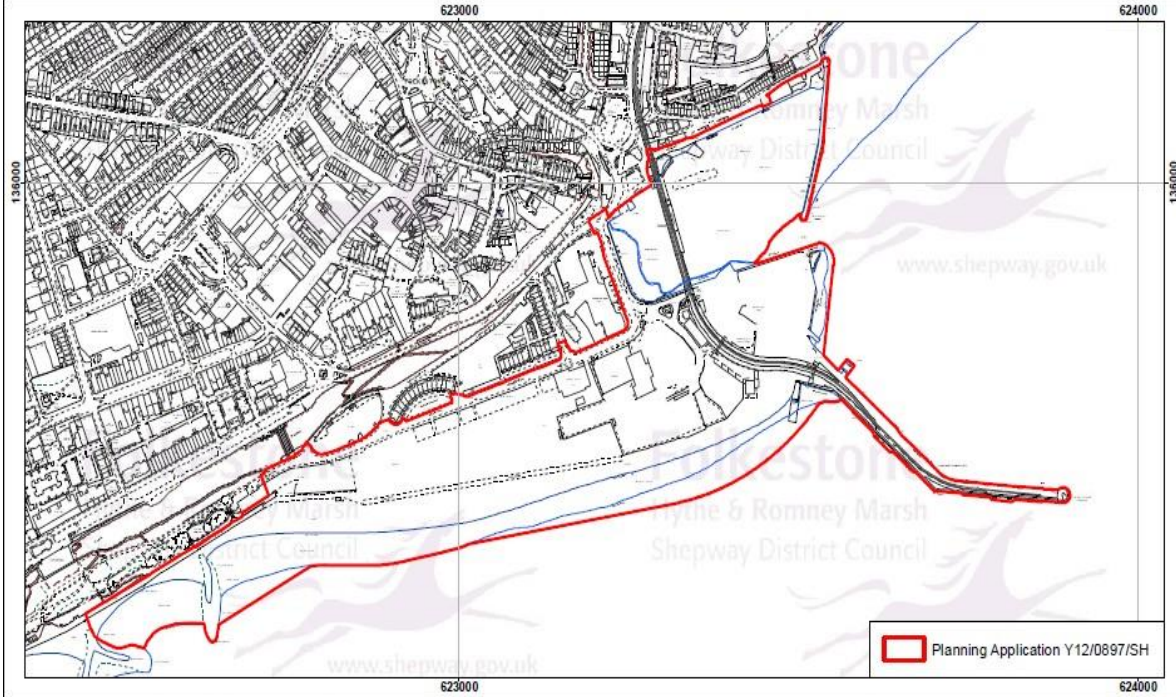
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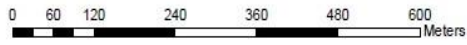
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# Folkestone Harbour & Seafront (Core Strategy Local Plan Policy SS6)



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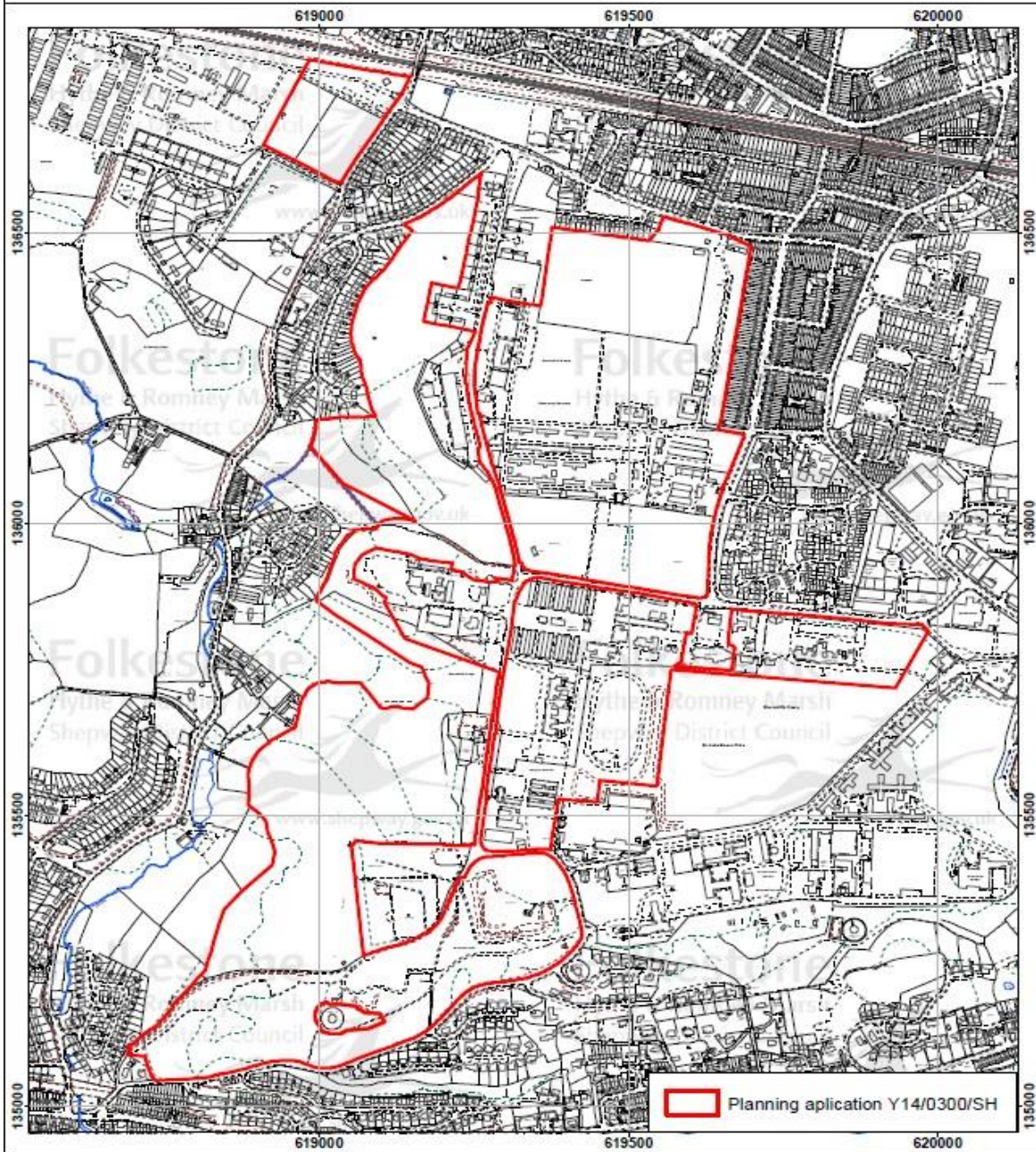


**Folkestone**  
Hythe & Romney Marsh  
Shepway District Council

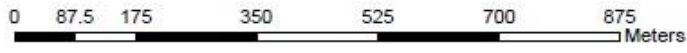
www.shepway.gov.uk

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# Shorncliffe Garrison (Core Strategy Local Plan Policy SS7)

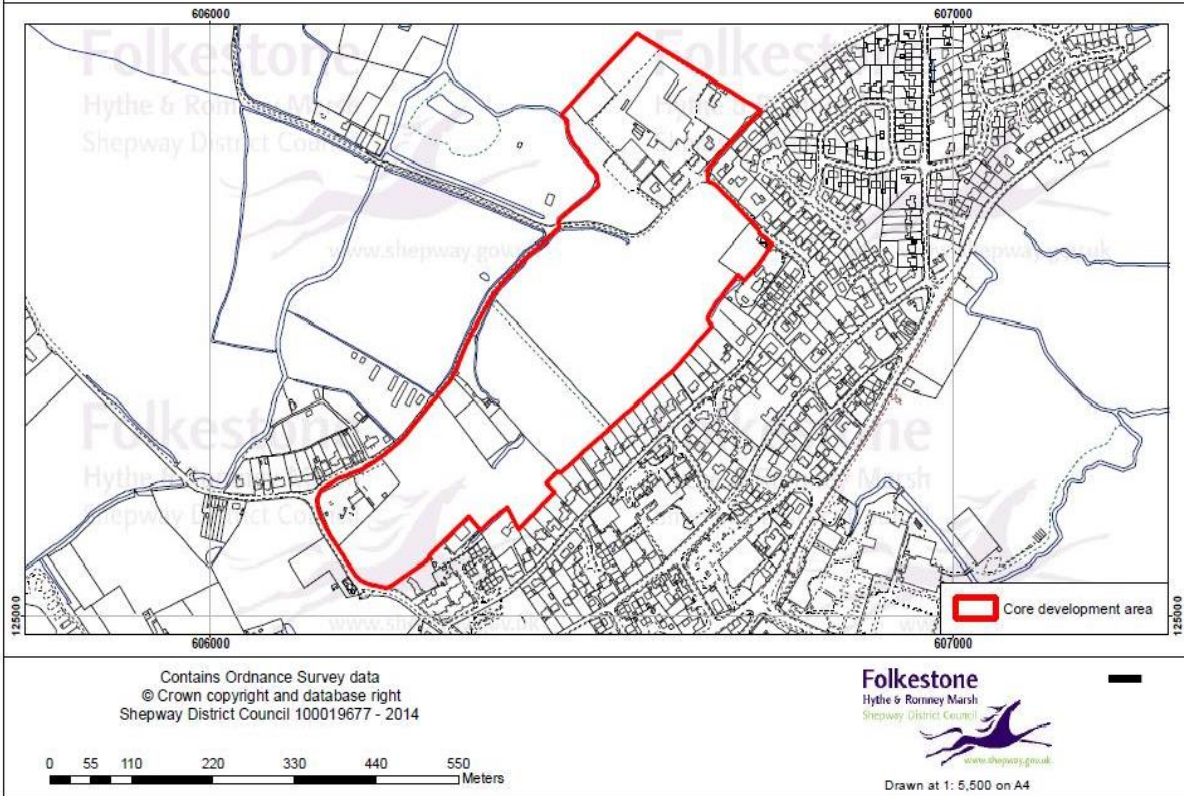


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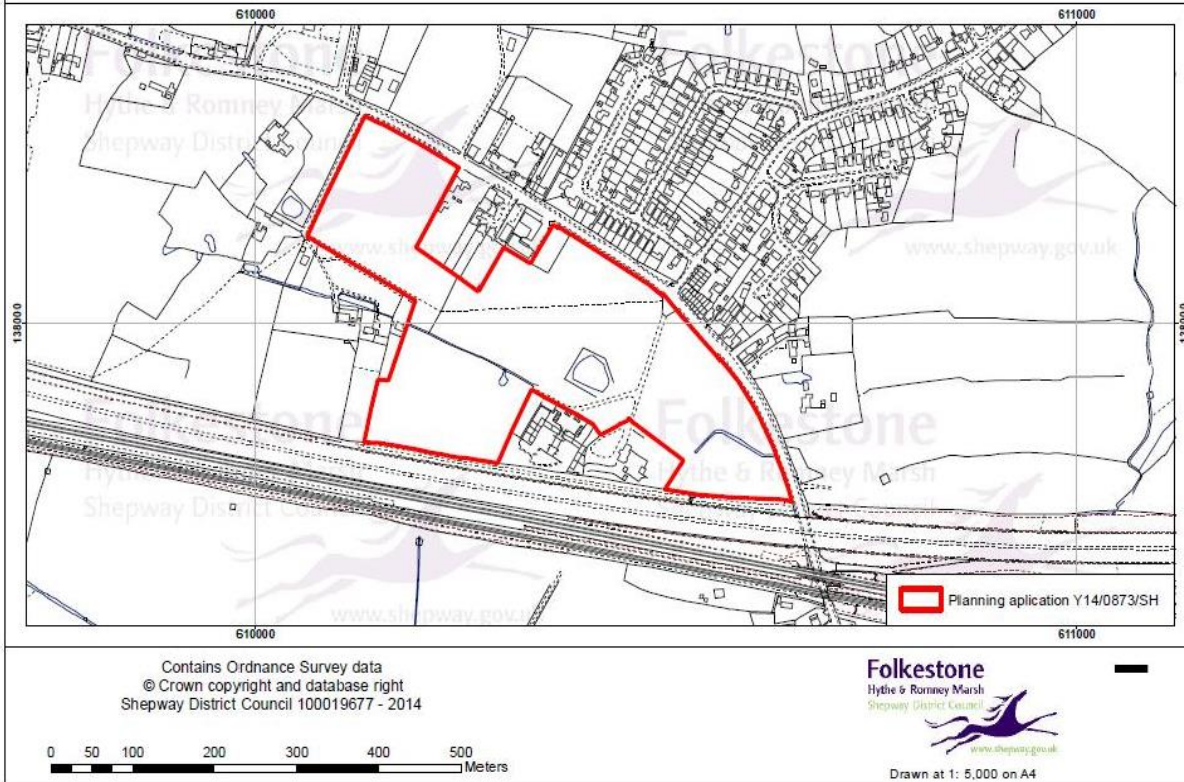


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### New Romney Masterplan Sites (Core Strategy Local Plan Policy CSD8)



### Sellindge (Core Strategy Local Plan Policy CSD9)



## Appendix 2: draft Infrastructure Assessment and Delivery Plan Cost Estimates

Shepway Core Strategy Local Plan: Infrastructure Cost Estimates & Funding Gaps (December 2014 snapshot)									Funding tbc from potential contributors (ii)	
Infrastructure category	Total cost estimates	Projected spend		Potential funding confirmed (i)		Funding gap			Amount tbc	Funding gap if contributions agreed
		up to 2020	2020-31	up to 2020	2020 - 31	up to 2020	2020-31	total		
Critical	£48,651,501	£45,955,901	£2,695,600	£26,785,901	£513,000	£19,170,000	£2,182,600	£21,352,600	£11,810,150	£9,542,450
Necessary	£65,486,859	£40,065,955	£25,420,904	£15,851,642	£6,717,244	£24,214,313	£18,703,660	£42,917,973	£33,795,966	£9,122,007
<b>Totals</b>	<b>£114,138,360</b>	<b>£86,021,856</b>	<b>£28,116,504</b>	<b>£42,637,543</b>	<b>£7,230,244</b>	<b>£43,384,313</b>	<b>£20,886,260</b>	<b>£64,270,573</b>	<b>£45,606,116</b>	<b>£18,664,457</b>

### Notes

i) Potential funding confirmed is defined as a commitment stated by an infrastructure delivery body, grant awarding organisation, or other public sector body, in their investment programme or grant awarding intentions.

ii) Funding to be confirmed (tbc) is defined as:

a) contributions via s106 agreements that have been signed but where development hasn't commenced on site

b) contributions identified as part of s106 agreements currently at discussion stage

c) applications made or pending to grant awarding bodies e.g. the LEP, and Lottery Funding Boards, where a decision is awaited

d) funding contributions indicated by partner organisations, which are subject to match funding being identified and confirmed

Shepway Core Strategy Local Plan: Critical Infrastructure Cost Estimates & Funding Gaps (December 2014 snapshot)									Funding tbc (ii)		Funding gap if
Infrastructure category	Total cost estimates	Projected spend		Potential funding confirmed (i)		Funding gap			Potential Contributors	Amount tbc	contributions agreed
		up to 2020	2020-31	up to 2020	2020 - 31	up to 2020	2020-31	total			
Education	£6,863,000	£5,363,000	£1,500,000	£0	£0	£5,363,000	£1,500,000	£6,863,000	s106	£3,850,550	£3,012,450
Flood defence	£37,824,901	£37,311,901	£513,000	£25,811,901	£513,000	£11,500,000	£0	£11,500,000	SE LEP SE fund	£5,000,000	£6,500,000
Green infrastructure	£287,600	£105,000	£182,600	£105,000	£0	£0	£182,600	£182,600	s106	£182,600	£0
Transport	£3,676,000	£3,176,000	£500,000	£869,000	£0	£2,307,000	£500,000	£2,807,000	s106 & LEP LGF	£2,777,000	£30,000
<b>Totals</b>	<b>£48,651,501</b>	<b>£45,955,901</b>	<b>£2,695,600</b>	<b>£26,785,901</b>	<b>£513,000</b>	<b>£19,170,000</b>	<b>£2,182,600</b>	<b>£21,352,600</b>		<b>£11,810,150</b>	<b>£9,542,450</b>

### Notes

i) Potential funding confirmed is defined as a commitment stated by an infrastructure delivery body, grant awarding organisation, or other public sector body, in their investment programme or grant awarding intentions.

ii) Funding to be confirmed (tbc) is defined as:

a) contributions via s106 agreements that have been signed but where development hasn't commenced on site

b) contributions identified as part of s106 agreements currently at discussion stage

c) applications made or pending to grant awarding bodies e.g. the LEP, and Lottery Funding Boards, where a decision is awaited

d) funding contributions indicated by partner organisations, which are subject to match funding being identified and confirmed

Shepway Core Strategy Local Plan: Necessary Infrastructure Cost Estimates & Funding Gaps (December 2014 snapshot)											
Infrastructure category	Total cost estimates	Projected spend up to 2020	2020-31	Potential funding (ii)		Funding gap		total	Funding tbc (ii)		Funding gap if contributions agreed
				up to 2020	2020 - 31	up to 2020	2020-31		Potential contributors	Amount tbc	
Broadband	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	Kent Broadband programme	0 (tbc)	0 (tbc)
Community safety	£937,785	£487,785	£450,000	£0	£0	£487,785	£450,000	£937,785	s106	£157,785	£780,000
Education	£6,411,321	£6,411,321	£0	£3,100,000	£0	£3,311,321	£0	£3,311,321	s106	£1,330,200	£1,981,121
Employment & skills	£5,000,000 (tbc)	£5,000,000 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	£5,000,000 (tbc)	0 (tbc)	£5,000,000 (tbc)	LEP /SFA	£5,000,000	£0
Flood defence & coastal engineering	£18,396,700	£11,883,700	£6,513,000	£9,758,825	£6,513,000	£2,124,875	£0	£2,124,875		£0	£2,124,875
Green infrastructure bio-diversity	£3,412,000	£1,662,000	£1,750,000	£12,000	£0	£1,650,000	£1,750,000	£3,400,000	HLF Match funders	£2,500,000	£900,000
Health & social care	£1,362,096	£152,096	£1,210,000	£91,115	£0	£60,981	£1,210,000	£1,270,981	s106	£1,270,981	£0
Leisure infrastructure	£14,652,000	£10,372,000	£4,280,000	£0	£0	£10,372,000	£4,280,000	£14,652,000	s106/ other contributions	£13,302,000	£1,350,000
Libraries, community & youth services	£1,344,957	£682,053	£662,904	£154,702	£204,244	£527,351	£458,660	£986,011		£0	£986,011
Public realm	£12,275,000	£3,055,000	£9,220,000	£2,735,000	£0	£320,000	£9,220,000	£9,540,000	s106	£9,490,000	£50,000
Transport - local highways schemes	£1,395,000	£210,000	£1,185,000	£0	£0	£210,000	£1,185,000	£1,395,000	s106	£745,000	£650,000
Transport - public transport, cycling & walking	£300,000	£150,000	£150,000	£0	£0	£150,000	£150,000	£300,000		£0	£300,000
Transport - national schemes	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)		0 (tbc)	0 (tbc)
Utilities	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)	0 (tbc)		0 (tbc)	0 (tbc)
<b>Totals</b>	<b>£65,486,859</b>	<b>£40,065,955</b>	<b>£25,420,904</b>	<b>£15,851,642</b>	<b>£6,717,244</b>	<b>£24,214,313</b>	<b>£18,703,660</b>	<b>£42,917,973</b>		<b>£33,795,966</b>	<b>£9,122,007</b>

**Notes**

i) Potential funding confirmed is defined as a commitment stated by an infrastructure delivery body, grant awarding organisation, or other public sector body, in their investment programme or grant awarding intentions.

ii) Funding to be confirmed (tbc) is defined as:

a) contributions via s106 agreements that have been signed but where development hasn't commenced on site

b) contributions identified as part of s106 agreements currently at discussion stage

c) applications made or pending to grant awarding bodies e.g. the LEP, and Lottery Funding Boards, where a decision is awaited

d) funding contributions indicated by partner organisations, which are subject to match funding being identified and confirmed

<b>Appendix 3</b>						
<b>CIL Income Estimates Less Admin Costs &amp; Parish Council Deductions</b>						
<b>CIL Zones / rates per sq m</b>	<b>Approx CIL income</b>					
A	£0					
B	£5,411,000					
C	£3,478,500					
D	£391,875					
Total	£9,281,375					
Less 5% admin	£8,817,306					
Parish Council fund (assume 15%)	£1,322,596					
Balance	£7,494,710					
<b>Shepway CIL Income Assumptions &amp; Estimates up to 2031</b>						
<b>Zone B @ £50 per sq m</b>						
Dwelling type	% of total	sq m per dwelling	No. Of dwellings	Sq m per type	CIL rate £50	
% 1 bed flat	15%	46	210	9,660	£483,000	
%2 bed flat	10%	59	140	8,260	£413,000	
% 2 bed house	25%	69	350	24,150	£1,207,500	
% 3 bed house	45%	92	630	57,960	£2,898,000	
% 4 bed house	5%	117	70	8,190	£409,500	
Total dwellings / floorspace			1,400	108,220	£5,411,000	
floorspace / CIL						
<b>Zone C @ £100 per sq m</b>						
Dwelling type	% of total	sq m per dwelling	No. Of dwellings	Sq m per type	CIL rate £100	
% 1 bed flat	15%	46	68	3,105	£310,500	
%2 bed flat	10%	59	45	2,655	£265,500	
% 2 bed house	25%	69	113	7,763	£776,250	
% 3 bed house	45%	92	203	18,630	£1,863,000	
% 4 bed house	5%	117	23	2,633	£263,250	
Total dwellings / floorspace			450	34,785	£3,478,500	
floorspace / CIL						
<b>Zone D @ £125 per sq m</b>						
Dwelling type	% of total	sq m per dwelling	No. Of dwellings	Sq m per type	CIL rate £125	
% 1 bed flat	0%	46	0	-	£0	
%2 bed flat	0%	59	0	-	£0	
% 2 bed house	0%	69	0	-	£0	
% 3 bed house	50%	92	15	1,380	£172,500	
% 4 bed house	50%	117	15	1,755	£219,375	
Total dwellings / floorspace			30	3,135	£391,875	
floorspace / CIL						
<b>Zone A @ £0 per sq m</b>						
Approx. 500 dwellings in this category during Local Plan timeframe						
<b>Source data: based on 2010 SHLAA &amp; 2014 AMR</b>						

<b>Appendix 4</b>		
<b>Section 106 Agreements Secured on Shewpay</b>		
<b>Developments</b>		
<b>December 2010 to June 2014</b>		
<b>Infrastructure Type</b>	<b>Total Value</b>	<b>% of total</b>
Education	£5,521,562	73.75%
Social Services	£153,242	2.05%
Transport & Highways	£117,422	1.57%
Libraries	£83,781	1.12%
Communities	£580,574	7.75%
Environment	£38,669	0.52%
Public Realm	£53,538	0.72%
Open Space	£221,990	2.97%
Play Equipment, Facilities & Space	£163,600	2.19%
Combined Contributions	£552,390	7.38%
<b>Totals</b>	<b>£7,486,768</b>	<b>100%</b>

**Shepway District Council  
Community Infrastructure Levy (CIL)**

**Draft Regulation 123 List  
(Draft: May 2015)**

Regulation 123 of the CIL Regulations (as amended), requires a Council to identify types of infrastructure and projects that it intends will be, or may be, wholly or partly funded through CIL. A draft R123 list also has to be provided as part of the consultation and Examination in Public on a Council's Draft CIL Charging Schedule.

The CIL Regulations require that from 6<sup>th</sup> April 2015, S106 planning obligations will be limited to on-site or off site mitigation measures, and site specific requirements to make development acceptable. In accordance with the CIL Regulations, this will also be subject to no more than five S106 obligations being pooled to fund a single infrastructure project.

The inclusion of a project or type of infrastructure on the R123 list does not signify a commitment by the Council to fund (either in whole or part) the listed project or type of infrastructure. Nor does the list order imply any preference or priority.

The Council will work with Parish and Town Councils and local communities, to agree local priorities for spend. The proportion of CIL receipts due to Parish and Town Councils can be used to support infrastructure items related to the R123 list, but there is no requirement for Parish and Town Councils to do this.

The Council will also work with the County Council, neighbouring Local Authorities, and other infrastructure providers and funders to ensure CIL income is used in the most effective manner to benefit the District's communities.

Project funding proposals will be screened to ensure they are compliant with the CIL Regulations emphasis on the avoidance of double funding via CIL and S106 contributions.

The Council will produce an annual monitoring report on the use of collected CIL income.



After CIL comes into effect in Shepway District, the following types of infrastructure will be considered for support through CIL receipts:

<b>Infrastructure Types or Projects that maybe wholly, or partly funded by CIL</b>	<b>Project Exclusions (to be secured through S106 or alternative measures, including S278s)</b>
Transport, walking and cycling improvements	On or off site transport and junction infrastructure required specifically to serve a new development.
Green infrastructure, open space and bio-diversity improvements	On or off site infrastructure required specifically to serve a new development, or mitigate the impacts of new development.
Education, learning and skills facilities	On or off site primary and secondary school facilities required specifically to serve a new development.
Business infrastructure improvements	
Health and social care facilities	On or off site health care facilities required specifically to serve a new development.
Community facilities including library services, youth facilities, and community facilities.	On or off site community facilities required specifically to serve a new development.
Leisure, play space, and sports facilities	On or off site leisure, play space and sports provision required specifically to serve a new development.
Public realm improvements	
Cultural and heritage facilities	
Flood defence and drainage infrastructure	On or off site flood defence and drainage infrastructure required specifically to serve a new development.
Community safety	
<p><b><u>Notes</u></b></p> <p>Project exclusions will apply to all on or off site infrastructure projects required specifically to serve Core Strategy Local Plan strategic and key sites developments at:</p> <ul style="list-style-type: none"> <li>• Folkestone Harbour and Seafront</li> <li>• Shomcliffe Garrison</li> <li>• Sellindge</li> <li>• New Romney broad locations</li> <li>• Nickolls Quarry</li> </ul>	