



Agenda

Meeting: **Cabinet**
Date: **22 July 2015**
Time: **5.00 pm**
Place: **Council Chamber - Civic Centre Folkestone**

To: **All members of the Cabinet**

All Councillors for information

The cabinet will consider the matters listed below on the date and at the time and place shown above. The meeting will be open to the press and public.

1. **Apologies for absence**
2. **Declarations of interest**

Members of the Council should declare any interests which fall under the following categories. Please see the end of the agenda for definitions*:

- a) disclosable pecuniary interests (DPI);
- b) other significant interests (OSI);
- c) voluntary announcements of other interests.

3. **Minutes (Pages 1 - 4)**

To consider and approve as a correct record the minutes of the meeting held on 17 June 2015.

4. **Housing Revenue Account Revenue and Capital Budget Monitoring 2015/16 - 1st Quarter and 2014/15 Financial outturn (Pages 5 - 18)**

Report C/15/08: This monitoring report provides a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and HRA capital programme based on net expenditure to 31 May 2015. The report also summarises the 2014/15 final outturn position

Queries about the agenda? Need a different format?

Contact Sue Lewis – Tel: 01303 853495
Email: committee@shepway.gov.uk or download from our website
www.shepway.gov.uk

(subject to audit) for the Housing Revenue Account (HRA) revenue expenditure and Housing Revenue Account (HRA) capital programme compared to both the latest approved budget and the Quarter 4 budget monitoring position reported to Cabinet in April 2015.

5. **2014/15 Quarter 1 budget monitoring and 2015/16 provisional financial outturn (Pages 19 - 32)**

Report C/15/09 Section A of this report sets out a projected year end financial position on the General Fund for 2015/16, based on actuals to 31 May 2015. In addition, Section B of this report shows the council's financial position for 2014/15 (subject to audit) and compares it against the Quarter 4 budget monitoring projections reported to Cabinet in April 2014 and the latest approved estimate. This report covers General Fund revenue alone. Capital expenditure and Housing Revenue Account expenditure are covered under separate reports on this Agenda.

6. **General Fund Capital Budget monitoring - 1st Quarter 2015/16 and 2014/15 outturn (Pages 33 - 42)**

Report C/15/10: This monitoring report provides a projection of the latest financial position for the General Fund capital programme, based on expenditure to 31 May 2015. The report identifies variances on planned capital expenditure for the General Fund in 2015/16. The report also summarises the 2014/15 final outturn position (subject to audit) for the General Fund capital programme compared to both the latest approved budget and the quarter 4 budget monitoring position reported to Cabinet in April 2015.

7. **Community Infrastructure Levy (CIL): Proposed Submission for Examination of the Council's CIL Draft Charging Schedule. (Pages 43 - 144)**

Report C/15/11 The Community Infrastructure Levy (CIL) Regulations (2010) as amended, 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.

At its meeting of 21st January 2015, the Cabinet approved a Draft CIL Charging Schedule, to be issued for public consultation. The consultation also invited views on a Draft Regulation 123 list, supporting evidence and analysis, including a CIL and Whole Plan Economic Viability Assessment, and a draft infrastructure assessment and delivery plan. The purpose of this report is therefore to:

- Provide feedback on the outcome of the consultation on the draft CIL Charging Schedule, which ran from 9th February to 23rd March 2015.
- Present for consideration and approval by Cabinet a revised Draft Regulation 123 List, which address comments and issues raised during the consultation.

- Present for consideration and approval a revised draft Instalments Policy, which reflects comments submitted during the consultation.
- Seek approval by Cabinet, to submit the CIL Draft Charging Schedule, supporting evidence and documents, for independent Examination in Public.
- Provide an indication of future operational requirements, associated with the implementation of a CIL scheme in Shepway.

8. Filming Policy and charging schedule (Pages 145 - 174)

Report C/15/13: When Cabinet considered the Fees and Charges for 2015/16 (Report C/14/42) it was agreed to receive a follow up report regarding the feasibility of introducing a charging schedule for commercial filming on council land. This report presents a summary of the findings from a review conducted by the Community Development Team. Following the review, a draft Filming and Photography Policy and a proposed Charging Schedule have been developed. Both are presented to Cabinet for approval.

9. Princes Parade update (Pages 175 - 184)

Report C/15/14 provides an update on the progress of the Princes Parade project. The report recommends that progress continues with a range of work streams.

10. Land at Hawkinge Community Centre- Overage Provisions (Pages 185 - 230)

This report asks members to consider a request by Edinburgh Land Estates (ELE) to forego the overage payment which will become due to the Council if ELE proceeds with the sale of a piece of land to Hawkinge Town Council (HTC). The land being sold is to the North West of Hawkinge Community Centre (the "Land"). The sale of the land and its purchase by HTC has already been the subject of two previous Cabinet reports which are referenced below.

11. HRA New Build Update and Proposals (Pages 231 - 236)

Report C/15/16: Shepway's HRA Business Plan provides for the delivery of a 10 year programme of up to 30 dwellings each year from 2014/15. This paper is informed by the recently completed pilot schemes; it recommends an interim list of sites be fully appraised immediately with a view to their development and also a timetable for preparing a new strategy and programme.

12. Exclusion of the public

To exclude the public from the following item of business, on the

grounds that it is likely to disclose exempt information, as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972: 'Information relating to the financial or business affairs of any particular person (including the authority holding that information).' 'Financial or business affairs includes contemplated as well as current activities.

13. Opportunitas Quarterly report (Pages 237 - 244)

This report provides an update from the Board of Oportunitas Ltd., and makes a formal request for an amendment to the current Business Plan running to March 2016. It also includes a financial statement in-line with the Shareholder's Agreement between the Company and the Council. In addition this report includes comments from Shepway District Council's Legal and Finance departments under section 6.

*Explanations as to different levels of interest

(a) A member with a disclosable pecuniary interest (DPI) must declare the nature as well as the existence of any such interest and the agenda item(s) to which it relates must be stated. A member who declares a DPI in relation to any item must leave the meeting for that item (unless a relevant dispensation has been granted).

(b) A member with an other significant interest (OSI) under the local code of conduct relating to items on this agenda must declare the nature as well as the existence of any such interest and the agenda item(s) to which it relates must be stated. A member who declares an OSI in relation to any item will need to remove him/herself to the public gallery before the debate and not vote on that item (unless a relevant dispensation has been granted). However, prior to leaving, the member may address the meeting in the same way that a member of the public may do so.

(c) Members may make voluntary announcements of other interests which are not required to be disclosed under (a) and (b). These are announcements made for transparency reasons alone, such as:

- membership of outside bodies that have made representations on agenda items, or
- where a member knows a person involved, but does not have a close association with that person, or
- where an item would affect the well-being of a member, relative, close associate, employer, etc. but not his/her financial position.

Voluntary announcements do not prevent the member from participating or voting on the relevant item

Folkestone

Hythe & Romney Marsh
Shepway District Council



www.shepway.gov.uk

Minutes

Cabinet

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 17 June 2015
Present	Councillors Miss Susan Carey, John Collier, Malcolm Dearden, Alan Ewart-James, David Godfrey, Mrs Jennifer Hollingsbee, Rory Love, Philip Martin, David Monk (Chairman) and Stuart Peall
Officers present:	Jeremy Chambers (Corporate Director - Resources), Wayne Fitter (Electoral Services Manager), Amandeep Khroud (Head of Democratic Services and Law), Tim Madden (Chief Financial Officer (S151 Officer)), Susan Priest (Corporate Director - Operations), Peter Savage (Committee Services Officer) and Alistair Stewart (Chief Executive)

NOTE: All decisions are subject to call-in arrangements. The deadline for call-in is 1 July 2015 at 5 pm. Decisions not called in may be implemented on 2 July 2015.

1. **Declarations of interest**

Councillor Miss Susan Carey made a voluntary announcement in respect of the consultation on draft recommendations for the Kent County Council electoral division as a current Kent County Councillor. She remained in the meeting, participated in the debate and voted.

2. **Minutes**

The minutes of the meeting of the Cabinet held on 15 April 2015 were submitted, approved as a correct record and signed by the Chairman.

3. **Regulation of Investigatory Powers Act 2000 (RIPA)**

The Council was able to undertake certain types of surveillance, acquire some communications data and use Covert Human Intelligence Sources (CHIS) under the Regulation of Investigatory Powers Act 2000 (RIPA). The Council had adopted a RIPA policy which was updated from time to time. Report C/15/01 sought endorsement of the latest version. It also proposed to adopt a non-RIPA policy for investigatory activities which fell outside of the RIPA regime. The

report also set out proposals for future reporting and updates Cabinet on the proposed training programme for officers.

Proposed by Councillor Malcolm Dearden
Seconded by Councillor Mrs Jennifer Hollingsbee and

RESOLVED: That recommendation (4) in report C/15/01 be amended to read, “to receive, in future, a report to the meeting of the Cabinet immediately following the use by the Council of the powers contained in RIPA, and that Cabinet meeting would decide what follow up reports would be required”.

(Voting: For 9; Against 1; Abstentions 0).

Proposed by Councillor Malcolm Dearden
Seconded by Councillor Mrs Jennifer Hollingsbee and

RESOLVED

1. To receive and note report C/15/01.
2. To endorse version 9 of the RIPA policy, which was attached as appendix 1 to report C/15/01.
3. To approve the use of the non-RIPA policy, which was attached as appendix 2 to report C/15/01.
4. To receive, in future, a report to the meeting of the Cabinet immediately following the use by the Council of the powers contained in RIPA, and that Cabinet meeting would decide what follow up reports would be required.

(Voting: For 9; Against 1; Abstentions 0).

Reason for decision

Cabinet was asked to agree the recommendations because:

- a) The Council should have an up to date RIPA policy which reflects the current statutory provisions, codes of practice and council staff in order that RIPA activities can be correctly authorised.
- b) The Council should have clear guidelines when undertaking surveillance which falls outside of RIPA to ensure adequate procedures are followed.
- c) To consider whether a quarterly report be submitted only if there has been a use of RIPA powers.

4. **Consultation on draft recommendations for the Kent County Council Electoral Division**

The Local Government Boundary Commission for England (LGBCE) was consulting on its draft recommendations for the Kent County Council electoral boundaries. The boundary review aimed to deliver electoral equality for voters at County Council elections. Report C/15/02 covered these issues.

Proposed by Councillor David Monk

Seconded by Councillor Miss Susan Carey and

RESOLVED:

- 5. To receive and note report C/15/02.**
- 6. To support the draft recommendations as proposed by the LGBCE for the Kent County Council electoral divisions in the district of Shepway.**

(Voting: For 8; Against 1; Abstention 1).

Councillor Malcolm Dearden asked for his vote against to be recorded.

This page is intentionally left blank

This Report will be made public on 14 July 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



www.shepway.gov.uk

Report Number **C/15/08**

To: Cabinet
Date: 22 July 2015
Head of Service: Joanna Miller, Finance
Cabinet Members: Councillor Miss Susan Carey, Finance and
Councillor Alan Ewart-James, Housing

SUBJECT: HOUSING REVENUE ACCOUNT REVENUE AND
CAPITAL BUDGET MONITORING 2015/16 – 1ST
QUARTER AND 2014/15 FINANCIAL OUTTURN

SUMMARY: This monitoring report provides a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and HRA capital programme based on net expenditure to 31 May 2015. The report also summarises the 2014/15 final outturn position (subject to audit) for the Housing Revenue Account (HRA) revenue expenditure and Housing Revenue Account (HRA) capital programme compared to both the latest approved budget and the Quarter 4 budget monitoring position reported to Cabinet in April 2015.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below because Cabinet needs to be kept informed of the Housing Revenue Account position and take appropriate action to deal with any variance from the approved budget and be informed of the final 2014/15 position.

RECOMMENDATIONS:

1. To receive and note Report C/15/08.

1. INTRODUCTION

- 1.1 This report informs Cabinet of the likely projected outturn on HRA revenue and capital expenditure for 2015/16.
- 1.2 The projections are based on actual expenditure and income to 31 May 2015. Some caution therefore needs to be exercised when interpreting the results. However, a thorough budget monitoring exercise has been carried out.
- 1.3 This report also brings both the latest approved budget and the 2014/15 financial monitoring to a conclusion. It sets out the HRA's financial position at year end (subject to audit) and compares it against Quarter 4 budget monitoring projections reported to Cabinet in April. The report covers both revenue and capital spend for last year (See Section 4).
- 1.4 The formal Statement of Accounts for 2014/15 is being audited over July and August and the audited set will be submitted to Audit and Standards Committee in September 2015 for approval.

2. HOUSING REVENUE ACCOUNT REVENUE 2015/16 (see Appendix 1)

- 2.1 The table below provides a summary of the projected outturn compared to the latest budget for 2015/16.

	Latest Budget £'000	Projection £'000	Variance £'000
Income	(16,306)	(16,296)	10
Expenditure	8,722	8,710	(12)
Share of Corporate Costs	229	229	0
Net Cost of HRA Services	(7,355)	(7,357)	(2)
Interest Payable/Receivable etc	1,622	1,612	(10)
HRA Surplus/Deficit	(5,733)	(5,745)	(12)
Repayment of Debt	900	900	0
Revenue Contributions to Capital	5,423	5,423	0
Decrease/(Increase) to HRA Reserve	590	578	(12)

- 2.2 The table shows that overall at Q1 there is a projected decrease in net expenditure of £12,000 on the HRA.

The main reasons for this are as follows:-

	£'000
Decrease in bad debt provision (see 2.3 below)	(64)
Increase in investment income	(10)
Increase in repairs and maintenance	40
Increase in supervision and management	12
Decrease in non dwelling rents	<u>10</u>
Total net projected Housing Revenue Account decrease	<u>(12)</u>

- 2.3 The decrease in bad debt provision relates to the delay in implementing Universal Credit. When the budget was set it was assumed that Universal Credit would be partially implemented within this financial year. However, the latest information we have is that it could start to be implemented in January 2016.
- 2.4 The financial projections have been compared to the previous year's outturn and analysed in detail. These have been adjusted where genuine underspends have previously occurred or where there has been a change to current activity levels.
- 2.5 Overall, the HRA reserve at 31 March 2016 is expected to be £3.674m compared with £3.662m in the latest budget.

3. HOUSING REVENUE ACCOUNT CAPITAL 2015/16 (see Appendix 2)

3.1 The original budget for HRA capital programme in 2015/16 is £8,227,000 and the projected outturn for the year is £9,025,000, an overspend of £798,000 relating the proposed carry forwards from 2014/15. For information, Appendix 2 outlines the current schemes contained within the programme.

3.2 The reasons for the increase in expenditure is as follows:-

	£'000
New Build Programme	525
EKH Single System	223
Bathroom Improvements	50
Total slippage in expenditure from 2014/15	<u>798</u>

3.3 The HRA Business Plan was approved by Cabinet in June 2013 following the introduction of HRA self-financing. Within the business plan it was agreed that a 10 year new build programme would commence and annual repayments would be made against the debt. The 10 year new build programme stated that up to 30 units could be built each year. The new build programme has commenced and the pilot schemes are complete, phase 1 of the programme will be looking to develop on larger sites and to purchase former RTB properties to aid the programme. All of the new build options will be subject to a detailed viability appraisal to ensure they meet the requirements of the HRA Business Plan.

The HRA Business Plan is to be “refreshed and updated” during this financial year and will be brought back to Cabinet for approval.

- 3.4 The following table compares the resources required to finance the projected outturn for the HRA capital programme in 2015/16. The variation shown below corresponds to the figure in section 3.1, above.

2015/16 HRA	Capital Receipts	Revenue Contribution	Major Repairs Reserve	Total
	£'000	£'000	£'000	£'000
Projected Outturn	1,280	5,423	2,322	9,025
Approved	1,280	5,423	1,524	8,227
Variation	0	0	798	798

4. HRA REVENUE AND CAPITAL 2014/15 OUTTURN

4.1 Projected Revenue outturn April 2015

- 4.1.1 A summary of the position that was reported to Cabinet in April 2015 was as follows:

HRA Net Revenue Expenditure	Latest Estimate £000	Projected Outturn £000	Variance £000
Income	(16,007)	(16,012)	(5)
Expenditure	10,022	10,101	79
Share of Corporate Costs	177	186	9
Net Cost of HRA Services	(5,808)	(5,725)	83
Interest Payable/Receivable etc	1,727	1,659	(68)
HRA Surplus/Deficit	(4,081)	(4,066)	15
Repayment of Debt	900	900	0
Revenue Contributions to Capital	1,681	668	(1,013)
Depreciation adjustment to Major Repairs Allowance	0	0	0
Decrease/(Increase) to HRA Reserve	(1,500)	(2,498)	(998)

- 4.1.2 Based on figures available at end February 2015. The main reasons for the variances were as follows:

HRA Net Revenue Expenditure	Variance £000
Decrease in revenue contributions to capital	(1,013)
Decrease in bad debts provision	(196)

Decrease in interest payable/receivable	(68)
Decrease in supervision and management	(9)
Increase in income	(5)
Decrease in rents, rates and taxes	(2)
Increase in repairs and maintenance	286
Increase in share of corporate costs	9
	(998)

4.2 Final Revenue outturn June 2015 compared to projected outturn

4.2.1 The Explanatory Foreword of the unaudited Statement of Accounts 2014/15 reports the following year end position. This report however expands further on the detail.

HRA Net Revenue Expenditure 2014/15	Latest Approved Budget 2014/15	Quarter 4 Projection 2014/15	Final Outturn 2014/15	Variance Q4 to Outturn	Variance Budget to Outturn
	£'000	£'000	£'000	£'000	£'000
Income	(16,007)	(16,011)	(15,968)	43	39
Expenditure	10,022	10,100	4,752	(5,348)	(5,270)
Share of Corp Costs	177	186	191	5	14
Net Cost of HRA Services	(5,808)	(5,725)	(11,025)	(5,300)	(5,217)
Interest Payable/Receivable	1,727	1,659	1,745	86	18
HRA Surplus/Deficit	(4,081)	(4,066)	(9,280)	(5,214)	(5,199)
Other items of Income & Expenditure	0	0	6,291	6,291	6,291
Net charges made for retirement benefits	0	0	31	31	31
Repayment of Debt	900	900	0	0	0
Revenue Cont to Capital	1,681	668	687	19	(994)
Decrease/(Increase) to HRA Reserve	(1,500)	(2,498)	(1,371)	1,127	129

4.2.2 The above table shows that the final position is £1,127k worse than predicted at Q4.

4.2.3 The large decrease in expenditure and the large increase in other item of income & expenditure relates to a depreciation and major repairs reserve adjustment as well as the valuation of the housing stock. There is approx £1m within the major repairs reserve that will partly fund the 2015/16 capital programme. The housing stock is externally valued and increased by 9%, this is shown within other items of income & expenditure and then reversed out under expenditure.

4.2.4 The main reasons for the £1,127k further underspend, compared to Quarter 4's projection, are as follows:

HRA	Variance
Net Revenue Expenditure	
	£000
Depreciation/major repairs reserve adj	1,009
Interest Payable/Receivable	85
Repairs & Maintenance	74
Charges for services and facilities	28
Pension	31
Revenue Contribution to Capital Expenditure	19
Dwelling Rents	7
Non Dwelling Rents	8
HRA Services Share of Corporate & Democratic Core	5
Other minor variance	4
	1,270
General Management	(72)
Special Management	(71)
	(143)
Final year end movement compared to quarter 4 projection	1,127

4.3 Projected Capital outturn April 2014

4.3.1 A summary of the position that was reported to Cabinet in April 2015 was as follows:

HRA Capital Programme	Latest Estimate	Projected Outturn	Variance
	£000	£000	£000
HRA Capital programme	<u>4,878</u>	<u>3,867</u>	<u>(1,011)</u>

4.3.2 Based on figures available at end February 2015. The main reasons were as follows:

HRA Capital Programme	Variance
	£000
New Builds	(509)
EKH Single System	(300)
Heating Improvements	(170)
Treatment Works	(114)
Bathroom Improvements	(50)
Re-wiring	(37)
Sheltered Scheme upgrades	45
Thermal Insulations	45
Void Capital Works	40
Environmental Works	30

Lift Replacement

9
(1,011)

4.4 Final Capital outturn June 2015 compared to projected outturn

4.4.1 The table below shows that the final position on the HRA Capital Programme is £8k less than predicted.

HRA Capital Programme 2014/15	Latest Approved Budget 2014/15	Quarter 4 Projection 2014/15	Final Outturn 2014/15	Variance Q4 to Outturn	Variance Budget to Outturn
	£'000	£'000	£'000	£'000	£'000
HRA Capital programme	4,878	3,867	3,859	(8)	(1,019)

4.4.2 The main reasons for the £8k variance, compared to quarter 4's projection, are as follows:

HRA Capital Programme	Variance £000	Variance £000
Sheltered Sheme upgrades	(36)	
Kitchen Replacement	(23)	
Garage Improvements	(18)	
New Builds	(15)	
Rewiring	(13)	
		(105)
External Enveloping	47	
Heating Improvements	26	
Replacement Double Glazing	10	
Void Capital Works	10	
Other minor variances	4	
		97
Variance		(8)

5. CONCLUSION

5.1 The HRA revenue outturn 2014/15 is £1,127k worse than projected at Q4, mainly relates to depreciation and major repairs reserve adjustment.

5.2 The HRA capital outturn 2014/15 shows an underspend of £8k against the projection at Q4.

5.3 The financial results are subject to audit.

5.4 The projected outturn for both the HRA Revenue expenditure and Capital Programme for 2015/16 reflects the position based on actual expenditure and forecasts at 31 May 2015.

6. RISK MANAGEMENT ISSUES

6.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The latest projection of the outturn could be materially different to the actual year end position.	Medium	Medium	Areas at greater risk of variances are being closely monitored and an update will be made to Cabinet if appropriate when this report is considered to allow action to taken.
Capital receipts (including right to buy sales) not materialising	Medium	Low	The capital programme uses realised capital receipts only.
Insufficient capacity to manage delayed expenditure along with new year programme	Medium	Medium	The 2015/16 to 2016/17 capital programme will need to continue to be reviewed to take account of the capacity to manage the programme. 2015/16 planned expenditure will need to be reviewed to determine whether any expenditure will fall into 2016/17 and beyond.
Significant amendments having to be made to the financial results following audit.	High	Low	The formal accounts have been prepared in accordance with professional standards and best accounting practice.

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments (EC)

There are no legal implications arising from this report.

7.2 Finance Officer's Comments (LH)

This report has been prepared by Financial Services. There are therefore no further comments to add.

7.3 **Diversities and Equalities Implications (DA)**

The report does not cover a new service/policy or a revision of an existing service or policy therefore does not require an EIA.

8. **CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Leigh Hall, Group Accountant

Tel: 01303 853231 Email: leigh.hall@shepway.gov.uk

The following background documents have been relied upon in the preparation of this report:

Budget projection working papers

Appendices:

[Appendix 1](#) Housing Revenue Account revenue budget monitoring report at 31 May 2015

[Appendix 2](#) Housing Revenue Account capital budget monitoring report at 31 May 2015

This page is intentionally left blank

HOUSING PORTFOLIO	ORIGINAL APPROVED BUDGET £000	LATEST APPROVED BUDGET £000	PROJECTED OUTTURN £000	VARIANCE £000	REASON
INCOME					
Dwelling rents	14,904	14,904	14,904	0	
Non-dwelling rents	369	369	359	10	Due to void garages
Charges for services and facilities	983	983	983	0	
Contributions from general fund	50	50	50	0	
Total Income	16,306	16,306	16,296	10	
EXPENDITURE					
Repairs and maintenance	2,990	3,000	3,040	40	Increase in void repairs £50k; decrease in Insurance costs -£10k
Supervision and management	3,949	4,000	4,012	12	Expected Council Tax expenditure due to change in legislation
Rents, rates and taxes	24	24	24	0	
Depreciation charges of fixed assets	1,524	1,524	1,524	0	
Debt management expenses	30	30	30	0	
Bad debts provision	160	144	80	-64	Delay in implementation of Universal Credit, likely from January 2016
Total Expenditure	8,677	8,722	8,710	-12	
Net Expenditure	-7,630	-7,585	-7,587	-2	
HRA Share of Corporate and Democratic Costs	229	229	229	0	
Net Cost of HRA Services	-7,400	-7,355	-7,357	-2	
Interest payable	1,753	1,753	1,753	0	
Interest and investment income	-105	-105	-115	-10	Due to higher HRA balance than anticipated
Premiums and discounts	-26	-26	-26	0	
(SURPLUS)/DEFICIT	-5,779	-5,733	-5,745	-12	
MOVEMENTS IN HRA BALANCE FOR 2014/15					
Repayment of Debt	900	900	900	0	
Revenue contribution to capital	5,423	5,423	5,423	0	
Surplus/deficit for the year	-5,779	-5,733	-5,745	-12	
Increase/Decrease in Net Movement in HRA Balance	544	590	578	-12	
HRA Reserve balance brought forward	-4,252	-4,252	-4,252	0	
HRA Reserve balance carried forward	-3,708	-3,662	-3,674	-12	

This page is intentionally left blank

PORTFOLIO AND SCHEMES	ORIGINAL APPROVED BUDGET	LATEST APPROVED BUDGET	PROJECTED OUTTURN	VARIANCE	COMMENTS
HOUSING PORTFOLIO	£'000	£'000	£000	£000	
1. Planned Improvements					
Doors	50	50	50	0	
Re-roofing	150	150	150	0	
Replacement Double Glazing Units	120	120	120	0	
Heating Improvements	652	652	652	0	
Kitchens Replacements	500	500	500	0	
Bathroom Improvements	200	200	250	50	Carry forward required due to change of contractor in 2014/15
Voids Capital Works	150	150	150	0	
Disabled Adaptations	270	270	270	0	
Sheltered Scheme upgrades	80	80	80	0	
Rewiring	90	90	90	0	
Lift Replacement	140	140	140	0	
Thermal Insulation	30	30	30	0	
Fire Protection Works	0	0	0	0	
	2,432	2,432	2,482	50	
2. Major Schemes					
External Enveloping *	350	350	350	0	
Garages Improvements	35	35	35	0	
Treatment Works	20	20	20	0	
Broadmead Road	0	0	0	0	
	405	405	405	0	
3. Environmental Improvements					
Environmental Works	270	270	270	0	
New Paths	15	15	15	0	
Play Areas	10	10	10	0	
	295	295	295	0	
4. Other Schemes					
New Builds	5,095	5,095	5,620	525	Carry forward required due to slight delay in programme
EKH Single System	0	0	223	223	Carry forward required due to delay in agreement
	5,095	5,095	5,843	748	
TOTAL	8,227	8,227	9,025	798	
FUNDING					
Major Repairs Reserve	1,524	1,524	2,322	798	
Revenue Contribution	5,423	5,423	5,423	0	
Capital Receipts	1,280	1,280	1,280	0	
TOTAL FUNDING	8,227	8,227	9,025	798	

* This includes all items of the property structure that is external, such as roof, chimneys, gutters, fascias, eaves and repointing.

This page is intentionally left blank

This Report will be made public on 14 July 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



C/15/09

Report Number

To: Cabinet
Date: 22 July 2015
Status: Non-Key Decision
Head of Service: Joanna Miller - Head of Finance
Cabinet Member: Councillor Susan Carey – Cabinet Member for Finance

SUBJECT: 2014/15 QUARTER 1 BUDGET MONITORING AND 2015/16 PROVISIONAL FINANCIAL OUTTURN

SUMMARY: Section A of this report sets out a projected year end financial position on the General Fund for 2015/16, based on actuals to 31 May 2015. In addition, Section B of this report shows the council's financial position for 2014/15 (subject to audit) and compares it against the Quarter 4 budget monitoring projections reported to Cabinet in April 2014 and the latest approved estimate. This report covers General Fund revenue alone. Capital expenditure and Housing Revenue Account expenditure are covered under separate reports on this Agenda.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below because Cabinet needs to be informed of the council's financial position for this year and last financial year at the earliest opportunity.

RECOMMENDATIONS:

- 1. To receive and note Report C/15/09.**

SECTION A – 2015/16 QUARTER 1 BUDGET MONITORING REPORT

1. INTRODUCTION

- 1.1 This report updates Cabinet of the likely projected outturn on the General Fund, based on data received at 31st May 2015.
- 1.2 General Fund projections are made against the latest approved estimate which has been adjusted for approved carry forwards from the 2014/15 budget and approved virements to 31st May 2015.
- 1.3 Members should note that a high level approach has been taken for Quarter 1 monitoring report. This is consistent with previous years and reflects the fact that various adjustments are still to be made pending the final audited position of the 2014/15 accounts. Service areas are reported at Directorate level. Quarter 2 will provide a more detailed report, incorporating recent changes in the Council's management structure.

2. GENERAL FUND REVENUE 2015/16

- 2.1 The Q1 projected outturn for the 2015/16 General Fund budget shows a forecast deficit of £211k against the latest approved estimated deficit of £96k. This represents an increase in spend of £115k.

2.2 The latest projected outturn for the General Fund in 2015/16 is summarised by Directorate, below:

General Fund	Original	Approved	Latest	Projected	Variance
Net Revenue Expenditure	Budget	Carry Forwards & Virements	Approved Budget	Outturn	
	£'000	£'000	£'000	£'000	£'000
Directorate					
Chief Executive	1,100	17	1,117	1,182	65
Resources	13,011	916	13,927	13,847	(80)
Operations	4,401	324	4,725	4,682	(43)
Sub Total for Directorate	18,512	1,257	19,769	19,711	(58)
Unallocated Net Employee Costs	-	(207)	(207)	(207)	-
Recharges to Non General Fund Accounts*	(1,845)	-	(1,845)	(1,845)	-
Total for Directorate	16,667	1,050	17,717	17,659	(58)
Internal Drainage Board Levies	427	-	427	427	-
Interest Payable and Similar Charges	644	-	644	593	(51)
Interest and Investment Income	(507)	-	(507)	(574)	(67)
Council Tax Freeze Grant	(100)	-	(100)	(100)	-
New Homes Bonus Grant	(1,602)	-	(1,602)	(1,602)	-
Other non-service related Government Grants	(989)	-	(989)	(989)	-
Town and Parish Council Precepts	1,557	-	1,557	1,557	-
Minimum Revenue Provision	514	-	514	514	-
Capital Expenditure Financed from Revenue	130	-	130	740	610
Total General Fund Operating Net Expenditure	16,741	1,050	17,791	18,225	434
Net Transfers to/(from) Earmarked Reserves	111	(1,050)	(939)	(1,258)	(319)
Total to be met from Taxpayers & Formula Grant	16,852	-	16,852	16,967	115
Transfer to/(from) the Collection Fund	(392)	-	(392)	(392)	-
Revenue Support Grant	(2,753)	-	(2,753)	(2,753)	-
Business Rates Income	(3,498)	-	(3,498)	(3,498)	-
Demand on the Collection Fund	(10,113)	-	(10,113)	(10,113)	-
(Suplus)/Deficit for Year**	96	-	96	211	115

* Net costs recharged to HRA, Capital and Charities Accounts

** The approved deficits for the original budget and latest approved budget are funded from the General Fund Reserve

2.3 The significant movements are outlined below:

					£'000	£'000
Deficit as per latest approved estimate						96
Increase in Income						
Interest and Investment Income					(67)	
Net Increase in Car Parking Income					(40)	
Increase in Lifeline Income					(29)	(136)
Increase in Expenditure						
Increase in Capital Financed from Revenue					610	610
Decrease in Expenditure						
Bad Debt Provision					(51)	
Professional fees and charges					(30)	(81)
Net Movement in Earmarked Reserves (see paragraph 2.6)						(319)
Other net variations						41
Total Variance						115
Deficit as per projected outturn						211

2.4 The main variations are explained in more detail below.

2.4.1 Increase in interest and investment income

The main reason for this is the enhanced return expected to be received from investing a further £2m in the CCLA LA Property Fund during 2015/16.

2.4.2 Net increase in car parking income

This is mainly down to an increase in off-street car parking income due to revised trends based on 2014/15 outturn and good weather.

2.4.3 Increase in Lifeline income

The contract to maintain the lifeline service for Dover District Council (DDC) clients ended on 31st January 2015. However there has been a delay in DDC transferring over the clients to the new service provider. This has resulted in additional income that was not budgeted for.

2.4.4 Capital Financed from Revenue

£204k of this variance is in respect of capital schemes reprofiled from 2014/15 to 2015/16. The remaining balance of £406k is for new capital schemes approved for 2015/16 and to be funded from reserves. This will be reviewed in more detail in the Quarter 2 monitoring report

2.4.5 Reduction in Bad Debt Provision

Based on debtors information received at 2014/15 outturn the increase in bad debt provision has been reduced.

2.4.6 Professional Fees and Charges

The main reason for this is additional budget for processing credit card payments which is no longer required.

2.5 The projected outturn has been prepared early on in the financial year so some caution should be placed on these figures. There are also a number of areas where it is not possible to accurately predict outturn until financial year end such as the bad debt provision.

2.6 Net Movement in Reserves

On the basis of the projections set out in this report, the council's net movement in earmarked reserves are expected to be as follows, as at 31 March 2016:

Movement in Earmarked Reserves	Latest Approved Budget	Change	Quarter 1 Projection
	£'000	£'000	£'000
Earmarked Reserve			
Business Rates	177	-	177
Invest to Save	-	-	-
Carry forwards	(1,185)	(69)	(1,254)
IFRS	(14)	(3)	(17)
Corporate Property	-	-	-
Vehicle, Equipment and Technology	(89)	(82)	(171)
New Homes Bonus	752	-	752
Corporate Initiatives	(110)	(161)	(271)
Leisure	30	(4)	26
Further Education	(500)	-	(500)
Total Earmarked Reserves	(939)	(319)	(1,258)

SECTION B – OUTTURN FOR 2014/15 FINANCIAL YEAR

3. INTRODUCTION

- 3.1 In April 2015 Cabinet considered Report C/14/102 General Fund Revenue Budget Monitoring – 4th Quarter 2014/15. The report set out a projection of year end expenditure for General Fund revenue. The projection was based on known information up to the end of January 2015. The report had been subjected to scrutiny by the Resources Scrutiny Committee.
- 3.2 This section of the report brings the 2014/15 financial monitoring to a conclusion. It sets out the council's General Fund financial position at year end (subject to audit) and compares it against the quarter 4 budget monitoring projection reported to Cabinet in April. For information section 4.2 also compares the final outturn to latest approved budget.
- 3.3 The formal Statement of Accounts for 2014/15 is being audited over July and August and the audited set will be submitted to Audit and Standards Committee in September 2015 for final approval.

4. GENERAL FUND REVENUE 2014/15 OUTTURN

4.1 Projected outturn April 2015

- 4.1.1 A summary of the position that was reported to Cabinet in April 2015 was as follows:

		Quarter 4	
General Fund	Latest	Projected	Variance
Net Revenue Expenditure	Estimate	Outturn	
	£000's	£000's	£000's
Total for Service Heads	18,531	16,053	(2,478)
Other net adjustments	(2,480)	(2,517)	(37)
Town and parish council precepts	1,528	1,528	-
Local taxation & revenue support grant	(17,601)	(17,123)	478
(Surplus)/Deficit	(22)	(2,059)	(2,037)
Provisional carry forward amounts	-	1,257	1,257
Surplus after carry forwards	(22)	(802)	(780)

- 4.1.2 After allowing for the provisional carry forwards, a surplus of £802,000 was being projected, based on figures available at quarter 4 projection. This was £780,000 higher than the latest estimate. Some of the main reasons at the time were as follows:

General Fund	Variance
Net Revenue Expenditure	
	£000's
Salary and employee related savings	(397)
Net reduction in materials repairs and maintenance	(319)
Interest and investment income	(204)
Miscellaneous fees	(183)
Building and development control fees	(154)
Contract savings	(113)
Other savings	(369)
Movement in earmarked reserves	137
Increase in capital finance from revenue	168
Decrease in recharges to non general fund accounts	175
Increase in business rates levy	479
	(780)

Further details for the reasons were set out in Report C/14/102 to Cabinet on 15 April 2015. This report had been subject to scrutiny by the Resources Scrutiny Committee on 8 April 2015.

4.2 Final outturn June 2015 compared to latest approved estimate

4.2.1 This section compares the final outturn to the latest approved budget in line with how the monitoring is presented throughout the year. Paragraph 4.3 compares outturn to the projected outturn as presented at quarter 4.

General Fund	Latest	Final	Variance
Net Revenue Expenditure	Estimate	Outturn	
2014/15	£000's	£000's	£000's
Service areas after technical adjustments	18,531	14,932	(3,599)
Internal drainage boards levies	428	423	(5)
Town and parish council precepts	1,528	1,528	-
Non-service related grants	(2,259)	(2,346)	(87)
Interest payable and similar financing costs	771	520	(251)
Interest and investment income	(189)	(516)	(327)
Revenue provision for debt repayment	532	580	48
Capital expenditure financed from revenue	406	423	17
Net Revenue Expenditure Before Use of Reserves	19,748	15,544	(4,204)
Net transfer to/(from) earmarked reserves (including carry forwards adj.)	(2,267)	1,055	3,322
Total to be met from Taxpayers and Government Grant	17,481	16,599	(882)
Council tax income	(9,955)	(9,955)	-
Business rates income	(3,720)	(2,963)	757
Revenue support grant and redistributed NNDR	(3,828)	(3,829)	(1)
(Surplus)/Deficit	(22)	(148)	(126)

4.2.2 The above table shows that the final surplus taken to the General Reserve is £126,000 more than budgeted.

4.3 Final outturn June 2015 compared to projected outturn

4.3.1 In line with previous years this section compares the projected outturn as reported at Quarter 4 to the actual outturn. The major reasons for the variance are outlined in paragraph 4.3.3.

General Fund	Projected	Final	Variance
Net Revenue Expenditure	Outturn	Outturn	
2014/15	£000's	£000's	£000's
Service areas after technical adjustments	16,053	14,932	(1,121)
Internal drainage boards levies	423	423	-
Town and parish council precepts	1,528	1,528	-
Non-service related grants	(2,333)	(2,346)	(13)
Interest payable and similar financing costs	712	520	(192)
Interest and investment income	(393)	(516)	(123)
Revenue provision for debt repayment	532	580	48
Capital expenditure financed from revenue	574	423	(151)
Net Revenue Expenditure Before Use of Reserves	17,096	15,544	(1,552)
Net transfer to/(from) earmarked reserves (including carry forwards adj.)	(873)	1,055	1,928
Total to be met from Taxpayers and Government Grant	16,223	16,599	376
Council tax income	(9,955)	(9,955)	-
Business rates income	(3,241)	(2,963)	278
Revenue support grant	(3,829)	(3,829)	-
(Surplus)/Deficit	(802)	(148)	654

4.3.2 The above table shows that the final surplus taken to the General Reserve is £654,000 less than predicted. In addition, earmarked reserves are £1,928,000 more than projected as reported at quarter 4.

4.3.3 The main reasons for the surplus variance of £654,000, compared to quarter 4's projection, are as follows:

General Fund	Variance	Variance
Net Revenue Expenditure	£000's	£000's
Increase in income		
Net increase in car parking income	(68)	
Planning and building regulation fees	(46)	
		(114)
Decrease in income		
Business rates income	278	
		278
Decrease in expenditure		
East Kent College funding now incurred in 2015/16	(400)	
Additional underspends taken to reserves	(425)	
Reduction in bad debt provision based on year end debtors figures	(280)	
Capital expenditure financed from revenue	(151)	
Reduction in contract expenditure	(117)	
		(1,373)
Other net variations		(65)
		(1,274)
Net movement in earmarked reserves		1,928
Variance		654

4.4 RESERVES

4.4.1 The council's General Fund reserves stand as follows as at 31 March 2015 (subject to audit):

General Fund Reserves	£000's	£000's
General Reserve		5,646
Earmarked reserves:		
Business Rates	1,830	
Leisure Reserve	211	
Carry Forwards	1,600	
Corporate Property	20	
Vehicles, Equipment & Technology	836	
Invest to Save	381	
Maintenance of Graves	12	
New Homes Bonus	1,005	
Corporate Initiatives	1,270	
IFRS Reserves	145	
Further Education	500	
Economic Development	2,000	9,810
Total General Fund Reserves		15,456

The change in reserves movement from quarter 4 as set out above is due primarily to the surplus in business rates being greater than anticipated and, in line with current policy, this being transferred into the Business Rates Equalisation reserve. There is also an increase in the Corporate Initiatives reserve due to some underspends needing to be carried forward. The Further Education reserve has increased due to the payment to the college not being made until early in 2015/16 rather than March 2014/15 as had been expected.

5. RISK MANAGEMENT ISSUES

5.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The latest projection of the outturn could be materially different to the actual year end position	Medium	Medium	Regularly reviewing monthly budget monitoring to identify key expenditure and income variances and taking remedial action where possible.
Fluctuating interest rate movement	Medium	Medium	Interest rate forecasts regularly reviewed. Investment portfolio split

impacting on investment returns			between fixed rate/fixed term deposits to help manage impact of interest rate movement.
Adverse weather conditions impacting on car parking income	Medium	Medium	Regularly reviewing monthly budget monitoring to identify key income trends/variances and taking remedial action where possible.
Increase in claimants receiving housing benefits due to the economic climate	Medium	Medium	Regularly reviewing the number of claimants receiving benefits and highlighting any significant increases as early as possible so remedial action can be taken where possible
Increase in homelessness numbers due to the changes to the benefit system	Medium	Medium	Regularly reviewing the homelessness situation and highlighting any significant increases as early as possible so remedial action can be taken where possible.

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

6.1 Legal Officer's Comments (AK)

There are no legal implications arising from this report.

6.2 Finance Officer's Comments (MF)

This report has been prepared by Financial Services. There are therefore no further comments to add.

6.3 Diversities and Equalities Implications (JM)

There are no implications arising directly from this report.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Mike Fitch, Group Accountant

Telephone: 01303 853213 Email: mike.fitch@shepway.gov.uk

This page is intentionally left blank

This Report will be made public on 14 July 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/15/10**

To: Cabinet
Date: 22 July 2015
Status: Non-Key Decision
Head of Service: Joanna Miller, Head of Finance
Cabinet Member: Councillor Susan Carey, Finance

SUBJECT: GENERAL FUND CAPITAL BUDGET MONITORING – 1st QUARTER 2015/16 AND 2014/15 OUTTURN

SUMMARY: This monitoring report provides a projection of the latest financial position for the General Fund capital programme, based on expenditure to 31 May 2015. The report identifies variances on planned capital expenditure for the General Fund in 2015/16. The report also summarises the 2014/15 final outturn position (subject to audit) for the General Fund capital programme compared to both the latest approved budget and the quarter 4 budget monitoring position reported to Cabinet in April 2015.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below because it needs to be kept informed of the General Fund capital programme position and take appropriate action to deal with any variance from the approved budget.

RECOMMENDATIONS:

1. To receive and note Report C/15/10.

1. INTRODUCTION AND BACKGROUND

1.1 As part of the council's normal budget monitoring process this report updates Cabinet on the latest position for the General Fund capital programme at the 1st quarter of 2015/16, based on expenditure to 31 May 2015, compared to the latest approved budget, approved by Full Council on 19 February 2015 (minute 92 refers). This report also compares the 2014/15 outturn (subject to audit) for the capital programme to both the latest approved budget and the projected position at quarter 4. Specifically, the report identifies:

- i) variances on planned expenditure for 2015/16 arising from both the 2014/15 outturn and other projected changes for the overall capital programme and explanations of these differences,
- ii) the impact any changes to the overall capital programme will have on the financing resources required to fund it.

2. 2014/15 FINAL OUTTURN COMPARED TO THE LATEST APPROVED BUDGET AND QUARTER 4 PROJECTION

2.1 The following table provides a summary of the final outturn for the General Fund capital programme in 2014/15 compared to both the latest approved budget and the quarter 4 projected position. Full details are shown in Appendix 1 to this report. The final outturn figures are subject to the audit of the accounts.

General Fund Capital Programme 2014/15	Latest Approved Budget 2014/15	Quarter 4 Projection 2014/15	Final Outturn 2014/15	Variance Q4 to Outturn	Variance Budget to Outturn
	£'000	£'000	£'000	£'000	£'000
Total General Fund Capital Expenditure	4,178	4,269	4,071	(198)	(107)
Capital Funding					
Grants and Contributions	(2,596)	(2,920)	(2,838)	82	(242)
Capital Receipts	(1,037)	(835)	(810)	25	227
Revenue	(545)	(514)	(423)	91	122
Borrowing	-	-	-	-	-
Total Funding	(4,178)	(4,269)	(4,071)	198	107

2.2 The following table summarises the reasons for the net reduction in the final outturn expenditure compared to the latest approved budget:

	2014/15 Budget to Outturn Variances	£'000
1	Rephasing of capital expenditure between 2014/15 and 2015/16	(417)
2	Hythe to Folkestone Beach Management Coast Protection Schemes – extra funding secured from the Environment Agency enabling additional beach recycling works to be undertaken during the Spring of 2015 to increase the standard of flood protection to the whole 8km stretch of coastline.	221
3	Disabled Facilities Grants and Loans – demand has increased during the year compared to that previously anticipated. The increase in cost has been met from government grant available to support the scheme	96
4	Other net savings	(7)
	Total Variance	(107)

3. CAPITAL PROGRAMME 2015/16 – PROJECTED OUTTURN

3.1 At Q1, the planned expenditure on all approved General Fund capital schemes in 2015/16 is anticipated to be £3,516,000 compared to the latest budget of £2,889,000 an increase of £627,000. Full details are shown in Appendix 2 to this report. The following table summarises the position and outlines the impact on the capital resources required to fund the expenditure:

General Fund Programme 2015/16	Latest Budget 2015/16	Quarter 1 Projection 2015/16	Variance
	£'000	£'000	£'000
Total General Fund Capital Expenditure	2,889	3,516	627
Capital Funding			
Grants and Contributions	(830)	(1,072)	(242)
Capital Receipts	(1,499)	(1,714)	(215)
Revenue	(560)	(730)	(170)
Total Funding	(2,889)	(3,516)	(627)

3.2 The following table analyses the reasons for the net increase in the planned capital expenditure in 2015/16. Full details of the variances for the individual schemes are also shown in Appendix 2 to this report:

Analysis of Variances – 2015/16 Latest Budget to Projected Outturn		
		£'000
1	Rephasing of capital expenditure between 2014/15 (Q3 and Q4) and 2015/16	493
2	Increase in Disabled Facilities Grants made due to more government funding received	122
3	Warm Home Loans met from funding received from Kent County Council	12
	Total movement	627

- 3.3 In addition to the planned capital expenditure referred to above in 3.1, on 19 February 2015 Full Council approved in principle for a further six capital investment schemes to be included in the Medium Term Capital Programme (MTCP). These six schemes each require an investment appraisal and business case to be considered by Cabinet before being formally approved. Officers are currently working on the investment appraisals and business cases and it is anticipated Cabinet will start to consider these at their next scheduled meeting in September. The capital expenditure for these schemes is likely to be profiled between 2015/16 and 2016/17. The six schemes are:

	Scheme	£'000
i)	Local Business Lending Partnership – ‘Funding Circle’	100
ii)	Corporate development projects – feasibility studies	100
iii)	Corporate development projects	1,700
iv)	Oportunitas Ltd – development and investment projects	2,500
v)	Empty properties initiative	1,200
vi)	Shepway Development Enabling Fund	200
	Total	5,800

4. IMPACT OF PROGRAMME CAPITAL FUNDING RESOURCES

- 4.1 One of the key principles underlying the council’s Medium Term Financial Strategy is the capital programme is funded from available or realised capital resources and that no new borrowing is used. The only exception to this is where a scheme is subject to grant funding or external contributions in which case no commitment is made against these until the funding is confirmed. The latest forecast for the General Fund capital programme conforms to this key principle.
- 4.2 The latest position regarding the council’s available capital receipts to fund capital expenditure is shown in the following table:

Capital Receipts Position Statement	£'000
Receipts in hand at 31 st March 2015	(6,831)
Less:	
Committed towards General Fund capital expenditure	2,965
Committed towards HRA capital expenditure	1,265
Ring-fenced for specific purposes	1,807
Contingency for urgent or unforeseen capital expenditure	500
Balance available to support new capital expenditure	(294)

5. CONCLUSIONS

- 5.1 The projected outturn shown for the General Fund capital programme for 2015/16 reflects the position based on actual expenditure and forecasts at 31 May 2015.
- 5.2 The projected outturn for the programme continues to be funded from existing available capital resources and does not require any borrowing to support it.
- 5.3 From September 2015 Cabinet is expected to start considering the investment appraisals and business cases for the six capital investment schemes previously agreed in principle by Full Council to be included in the MTCP.

6. RISK MANAGEMENT ISSUES

- 6.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Capital resources not available to meet the cost of the new projects.	High	Medium	Capital receipts required have already been realised for the majority of the programme. Schemes subject to future capital resources will only commence once these are realised. Schemes supported by grant funding will only commence once fully approved and committed by the relevant body.
Cost of new	High	Medium	Capital monitoring

projects may exceed the estimate.			procedures in place allowing prompt early action to be taken to manage the risk effectively.
-----------------------------------	--	--	--

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments (AK)

There are no legal implications arising from this report.

7.2 Finance Officer's Comments (LW)

This report has been prepared by Financial Services. There are no further comments to add.

7.3 Diversities and Equalities Implications

The report does not cover a new service or policy or a revision of either and therefore does not require an Equality Impact Assessment.

8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Lee Walker, Group Accountant

Tel: 01303 853593. e-mail :lee.walker@shepway.gov.uk

The following background documents have been relied upon in the preparation of this report:

None

Appendices:

Appendix 1 – General Fund Capital Programme 2014/15 Outturn

Appendix 2 – General Fund Capital Programme 2015/16 Q1 Projection

APPENDIX 1 - GENERAL FUND CAPITAL PROGRAMME 2014/15 OUTTURN											
		2014/15									
Item No.	Scheme	Latest Approved Budget	Q4 Projection	Outturn	Variance Q4 to Outturn	Variance Budget to Outturn	Comment - Variance Budget to Outturn				
		£'000	£'000	£'000	£'000	£'000					
1	ICT and Office Adaptations (WoW)	44	44	39	-5	-5					
2	ICT Infrastructure Improvements (WoW)	53	53	26	-27	-27	Saving				
3	Website Project	80	62	58	-4	-22	Slippage to 2015/16				
4	Play Area Equipment	11	11	11	-	0					
5	Payers Park, Folkestone	1179	1,179	1,196	17	17	Scheme completed and entirely met from external contributions				
6	Improvements to Hawkinge Yard	33	10	8	-2	-25	Slippage to 2015/16				
7	Grounds Maintenance Vehicle and Equipment Replacement Programme	77	73	73	-	-4					
8	Coast Protection - South Foreland to Beachy Head SMP	1	1	-	-1	-1					
9	Coast Protection - Coronation Parade, Folkestone	25	16	16	-	-9	Slippage to 2015/16				
10	Coast Protection - Greatstone Dunes Management & Study	15	15	11	-4	-4					
11	Coast Protection - Hythe to Folkestone Beach Management (to 2015)	221	450	442	-8	221	Additional Environment Agency grant to fund further works				
12	Coast Protection - Hythe to Folkestone Beach Management (from 2015)	69	70	18	-52	-51	Slippage to 2015/16				
13	Disabled Facilities Grant	500	600	596	-4	96	Increase in demand funded from government grant				
14	Home Safe Loans	60	60	63	3	3					

APPENDIX 1 - GENERAL FUND CAPITAL PROGRAMME 2014/15 OUTTURN											
		2014/15									
Item No.	Scheme	Latest Approved Budget	Q4 Projection	Outturn	Variance Q4 to Outturn	Variance Budget to Outturn	Comment - Variance Budget to Outturn				
		£'000	£'000	£'000	£'000	£'000					
15	Warm Home Loans Scheme	-	3	-	-3	0					
16	Burials Software (BACAS)	38	17	17	-	-21	Slippage to 2015/16				
17	PC Replacement Programme	0	16	15	-1	15	Additional laptops and licences for new posts created in year				
18	Server Replacement Programme	72	71	70	-1	-2					
19	Virtual Desktop Technology	20	22	22	-	2					
20	Lifeline Capitalisation	42	42	42	-	0					
21	Lifeline Alarm Receiving Equipment	60	-	-	-	-60	Slippage to 2015/16				
22	3G Football Pitch Cheriton Road	665	725	628	-97	-37	Slippage to 2015/16				
23	Budget and Forecasting Application	9	9	-	-9	-9	Slippage to 2015/16				
24	Oportunitas Loan & Share Capital Phase 1 (Housing Acquisitions Programme)	904	720	720	-	-184	Slippage to 2015/16				
	Total	4,178	4,269	4,071	-198	-107					

APPENDIX 2 - GENERAL FUND CAPITAL PROGRAMME 2015/16 QUARTER 1 PROJECTION					
		2015/16			
Item No.	Scheme	Latest Budget 2015/16	Q1 Projection 2015/16	Variance Budget to Projection	Comment
		£'000	£'000	£'000	
1	Website Project	-	22	22	Slippage from 2014/15
2	Improvements to Hawkinge Yard	45	70	25	Slippage from 2014/15
3	Grounds Maintenance Vehicle and Equipment Replacement Programme	145	145	-	
4	Van - New Supervisor's Post (linked to Oportunitas work)	15	15	-	
5	Hythe Environmental Improvements	65	65	-	
6	Coast Protection - Coronation Parade, Folkestone	-	9	9	
7	Coast Protection - Greatstone Dunes Management & Study	15	15	-	
8	Coast Protection - Hythe to Folkestone Beach Management (from 2015)	250	302	52	Slippage from 2014/15
9	Disabled Facilities Grant	500	622	122	Additional government grant to support the scheme
10	Home Safe Loans	100	100	-	
11	Warm Home Loans Scheme	-	12	12	KCC funding to support the pilot scheme
12	Connectivity	40	40	-	
13	General Fund Property - Health and Safety Enhancements	200	200	0	
14	Burials Software (BACAS)	-	21	21	Slippage from 2014/15

APPENDIX 2 - GENERAL FUND CAPITAL PROGRAMME 2015/16 QUARTER 1 PROJECTION					
		2015/16			
Item No.	Scheme	Latest Budget 2015/16	Q1 Projection 2015/16	Variance Budget to Projection	Comment
		£'000	£'000	£'000	
15	PC Replacement Programme	8	8	-	
16	Server Replacement Programme	60	60	-	
17	Virtual Desktop Technology	20	20	-	
18	Lifeline Capitalisation	42	42	-	
19	Lifeline Alarm Receiving Equipment	-	74	74	Slippage from 2014/15
20	3G Football Pitch Cheriton Road	-	97	97	Slippage from 2014/15
21	Budget and Forecasting Application	-	9	9	
22	Oportunitas Loan & Share Capital Phase 1 (Housing Acquisitions Programme)	1,384	1,568	184	Slippage from 2014/15
	Total	2,889	3,516	627	

This Report will be made public on 30 June 2015

Report Number **C/15/11**

To: Cabinet
Date: 8 July 2015
Status: Key Decision
Head of service: Chris Lewis, Head of Planning
Cabinet Member: Councillor David Monk

SUBJECT: Community Infrastructure Levy (CIL): Proposed Submission for Examination of the Council's CIL Draft Charging Schedule.

SUMMARY: The Community Infrastructure Levy (CIL) Regulations (2010) as amended, 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.

At its meeting of 21st January 2015, the Cabinet approved a Draft CIL Charging Schedule, to be issued for public consultation. The consultation also invited views on a Draft Regulation 123 list, supporting evidence and analysis, including a CIL and Whole Plan Economic Viability Assessment, and a draft infrastructure assessment and delivery plan. The purpose of this report is therefore to:

- Provide feedback on the outcome of the consultation on the draft CIL Charging Schedule, which ran from 9th February to 23rd March 2015.
- Present for consideration and approval by Cabinet a revised Draft Regulation 123 List, which address comments and issues raised during the consultation.
- Present for consideration and approval a revised draft Instalments Policy, which reflects comments submitted during the consultation.
- Seek approval by Cabinet, to submit the CIL Draft Charging Schedule, supporting evidence and documents, for independent Examination in Public.
- Provide an indication of future operational requirements, associated with the implementation of a CIL scheme in Shepway.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below given:

- a) The need to develop a CIL Charging Schedule in response to CIL Regulations and changes to the planning obligations regime.
- b) To support delivery of the Core Strategy Local Plan.

RECOMMENDATIONS:

- a. Note the outcome of the consultation on the Draft CIL Charging Schedule**
- b. Approve the amended draft Regulation 123 List.**
- c. Approve the amended draft Instalments policy.**
- d. Approve submission of the CIL Draft Charging Schedule, supporting evidence and documents, for Examination in Public**
- e. Note the indicated future operational requirements associated with the implementation of a CIL Scheme in Shepway.**
- f. Receive a further report on the outcome of the Examination in Public and CIL Implementation issues in due course.**

1. CIL REGULATIONS AND PROCESS FOR PREPARING A CIL

- 1.1 The Planning Act 2008 and CIL Regulations, 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.
- 1.2 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 the Full Council.
- 1.3 The Government intends CIL to become the primary means of collecting general infrastructure contributions, with s106 agreements 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. Affordable housing remains subject to s106 agreements.
- 1.4 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.
- 1.5 CIL Regulations direct a proportion of CIL income is 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.

2. DRAFT CIL CHARGING SCHEDULE CONSULTATION RESPONSES

- 2.1 The Consultation Statement attached at appendix 1, provides a summary of the representations and comments received on the draft CIL Charging Schedule, and a note of how comments have been addressed.
- 2.2 Thirteen submissions were received in response to the consultation, from developers' agents, public bodies, charitable bodies, Kent County Council, Kent Police, and business organisations.
- 2.3 Key developers, landowners and agents, neighbouring Local Authorities, Parish and Town Councils, and Business Organisations were contacted directly as part of the consultation. The twenty respondents to the CIL PDCS consultation were also contacted directly. Copies of all of the consultation documents were made available in local libraries and at the Civic Centre. The Consultation was also the subject of a statutory notice placed in local newspapers.
- 2.4 The most significant representations received in response to the consultation are summarized as follows:
 - 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 in detail and have concluded that their Viability Study remains a robust analysis. The Council's proposed CIL rates therefore remain appropriate and will support delivery of the Local Plan.

- 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, with these detailed in following sections of this report.
- The CLA and GVA requested that SDC review its draft Instalments 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. CIL Regulations allow for an instalments policy to relate to development phasing so this is now reflected in an amended Instalments Policy attached at appendix 2.

3. SUBMISSION OF THE CIL DRAFT CHARGING SCHEDULE

- 3.1 The CIL Draft Charging Schedule for submission for Examination in Public is attached at appendix 3. The proposed CIL rates have however, not changed from the version of the Charging Schedule considered at the Cabinet's meeting of the 21st January 2015.

4. S106 POOLING RESTRICTIONS

- 4.1 From 6th April 2015, CIL Regulation 123 introduced limitations on the use of Planning Obligations / S106 Agreements to fund infrastructure. From this date a maximum of 5 pooled S106 Agreements are allowed to be used to fund a specified infrastructure project, with these counted back to agreements entered into from 6th April 2010.
- 4.2 The use of planning obligations are further restricted from 6th April 2015 by CIL Regulation 122. This states that a planning obligation may only constitute a reason for granting planning permission for the development if the obligation meets the following three tests:
- (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.
- 4.3 S106 planning obligations will however, continue to be available to secure funding contributions for onsite and offsite infrastructure, provided the relevant tests set out in R122 are met, and R123 pooling limits are adhered to.
- 4.4 If a local authority has already entered into more than five planning obligations for a general infrastructure heading (e.g. education), it still has the option to enter into further S106 Agreements to fund specific items of infrastructure (e.g. a school, or specified project within an existing school), as long as the requirements of R122 are met.
- 4.5 If the requirements of R122 are met, a development can also enter into a S106 Agreement and be liable to pay CIL, so long as there is a clear distinction between what S106 and CIL funding is used for, as indicated by a Local Authority's Regulation 123 List. Generally, S106 funding has to be restricted to site specific matters and CIL on meeting the wider infrastructure needs of an area.

5. DRAFT REGULATION 123 LIST

- 5.1 As part of the consultation on the draft CIL Charging Schedule, the Council issued a draft Regulation 123 list for comments. The focus of the list was based on the draft Infrastructure Assessment and Delivery Plan considered by Cabinet at its meeting of 30th July 2014, which highlighted a significant potential funding gap of up to £69million, across a broad range of infrastructure categories. The draft R123 list therefore reflected this broad need, through its proposed reference to the general infrastructure types listed as follows that could be considered for CIL support:
- Local roads, public transport, walking & cycling infrastructure
 - Green infrastructure, open space and bio-diversity
 - Education, learning and skills facilities
 - Business infrastructure

- Health & social care facilities
- Community facilities
- Leisure, play space, and sports facilities
- Public realm enhancements
- Cultural and heritage facilities
- Flood defence and drainage infrastructure
- Community safety

5.2 Comments received on the draft R123 list didn't raise any issues in respect of the above listed infrastructure types. Representations focused on the following issues:

- The need to provide greater clarity on what projects CIL will be used to support; and
- The need to provide greater clarity in respect of how CIL will operate in conjunction with Planning Obligations / S106 Agreements.

5.3 On the first point, the Council is currently not at a stage where it can be certain of the specific projects it will seek to support through CIL receipts, with these also likely to be this subject of further discussions with partner organisations. This means that as part of the implementation of a CIL Scheme, further thought will be required on the governance arrangements for selecting infrastructure projects for CIL support.

5.4 On the second point, the amended draft Regulation 123 list attached at appendix 4 seeks to clarify the position on how CIL will relate to S106 Agreements, by highlighting:

- Infrastructure types which will be eligible for CIL Support and S106 funding, so long as the latter complies with R122 and is allocated to a specific project that can be considered as an appropriate project exclusion.
- Stating that Core Strategy Local Plan Strategic and Key sites will be CIL exempt, with all infrastructure funding secured through S106 Agreements.

5.5 The inclusion of an infrastructure type or project on an R123 list need not signify a commitment by the Council to funding or prioritization through CIL, with this to be subject to further discussions and consideration in due course. The CIL Regulations also allow an R123 list to be reviewed and updated periodically, subject to appropriate local consultation on any proposed changes.

6. CIL SCHEME OPERATIONAL AND IMPLEMENTATION ISSUES

6.1 A review of available evidence from Local Authorities who have implemented a CIL scheme and Planning Advisory Service guidance notes, indicates that the operational process for integrating a CIL scheme with existing systems, can be divided into the following key stages:

- Designing of CIL IT and administrative systems
- Providing CIL advice at pre-application discussions
- Ensuring all CIL requirements are covered at registration and validation of planning applications
- Ensuring all due CIL is covered by the planning application assessment and granting of planning permission
- Ensuring an appropriate corporate response to applicant requests for CIL exemptions and appeals
- Ensuring an appropriate corporate response to the operation of the discretionary land and payments in kind policy
- Ensuring CIL payment requests are triggered by development commencement
- CIL payment collection
- Enforcement action for default on due CIL payments
- CIL Governance and infrastructure delivery
- Monitoring and review of the CIL scheme
- The need for additional staff resources to manage and administer the CIL scheme

6.2 A corporate project management framework will need to be established to address the above issues, which draws on expertise from planning, IT, business support, Legal Service and Finance, so as to design a fit for purpose operational system to manage the CIL process.

7. NEXT STEPS & TIMESCALES

7.1 In line with CIL Regulations, the Council is required to submit its CIL Draft Charging Schedule along with supporting information and evidence to the Planning Inspectorate for an Examination in Public.

7.2 The Planning Inspectorate has indicated that from submission to receipt of an Inspector's findings, can take up to 4 months. This means that Cabinet and Full Council may be in a position to consider adoption of a CIL Charging Schedule from November 2015, assuming a July submission date.

7.3 During the lead in time for the Examination in Public, further work will need to be undertaken to address the CIL operational and implementation issues, outlined by section 6 of this report, including consideration of additional resource and staff requirements to ensure effective administration of a CIL Scheme. On this latter point, the CIL Regulations allow for 5% of CIL receipts to be used on scheme development and administration.

8. RISK MANAGEMENT ISSUES

8.1 The draft CIL Charging Schedule has been through two rounds of public consultation, and subject to Cabinet approval, will be submitted for Examination in Public. Financial risks in respect of securing development and infrastructure funding contributions may arise should the proposed CIL rates

be found to be non-viable. However, the findings of the independent CIL and Whole Plan Economic Viability Study reduce this risk.

Perceived risk	Seriousness	Likelihood	Preventative action
Inspector at EIP finds draft CIL Charging Schedule to be unsound.	Low	Low	Process for developing a CIL Charging Schedule has followed published CIL guidance.
Unviable CIL Rates	Low	Low	Viability study commissioned

9. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

9.1 Legal Officer's Comments (AK)

The legal issues have been addressed in the body of the report.

9.2 Finance Officer's Comments (TM)

There are no direct financial implications arising out of this report.

9.3 Diversities and Equalities Implications (SA)

The report does not raise any diversities and equalities issues.

9.4 Communications Implications

CIL Regulations require the Council to place a public notice in local newspapers, announcing its intention to submit a Draft CIL Charging Schedule, supporting evidence and documents, for Examination in Public. All submitted documents will also need to be available on the Council's website.

10. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Stephen Arnett, CIL Officer
 Telephone: 01303 853364
 Email: Stephen.arnett@shepway.gov.uk

The following background documents have been relied upon in the preparation of this report:

- CIL and Whole Plan Economic Impact Assessment (July 2014); and Supplementary Reports (January 2015 and May 2015)

- Core Strategy Local Plan draft Infrastructure Assessment and Delivery Plan (December 2014)

Appendices:

- Appendix 1: CIL Draft Charging Schedule Consultation Report (Regulation 19 Statement)
- Appendix 2: Amended Draft CIL Instalments Policy
- Appendix 3: CIL Draft Charging Schedule (EIP submission version)
- Appendix 4: Amended draft Regulation 123 List

This page is intentionally left blank

Appendix 1

Shepway District Council

Community Infrastructure Levy (CIL)

**Draft Charging Schedule
Consultation Report**

**Statement of Representations
Regulation 19 (1) (b)**

May 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



<u>Content</u>	<u>Page</u>
Introduction	3
Representation Process	3
Respondents	3
Summary of Main Issues	4
<u>Appendices</u>	
1) Summary of representations received & Council response	5
2) Regulation 16 Statement	18
3) Consultation letters sent to CIL PDCS respondents	21
4) General consultation email and letter	24
5) CIL Webpage	28
6) Press Notice	30
7) CIL Consultation contact list	31
8) Representations	37

Introduction

Shepway District Council invited representations on its Community Infrastructure Levy (CIL) draft Charging Schedule in line with the requirements of Regulation 16 of the CIL Regulations 2010 (as amended), from 9th February to 23rd March 2015.

In accordance with Regulation 19 (1) (b) of the CIL Regulations 2010, this consultation statement provides a summary of the consultation process undertaken; the main issues raised by respondents and their representations; and the Council's proposed response to representations received.

Representations Process

The Council consulted on its Draft CIL Charging Schedule, supporting evidence, and a draft Regulation 123 list, for a six week period from 9th February to 23rd March 2015.

A key aim of the consultation was to enable a wide audience to respond to the Council's CIL proposals. Key means used to raise awareness of the consultation included:

- Direct contact by email and letter with consultees who responded to the CIL Preliminary Draft Charging Schedule (PDCS) consultation (appendix 3);
- Direct contact via email and letter to a range of statutory and non-statutory bodies; developers, land owners and commercial agents; Registered Providers of affordable housing; neighbouring Local Authorities and the County Council; Parish and Town Councils; business organisations and local businesses (appendix 4 and 7);
- Information on the consultation and how to respond made available on the Council's public website, including a Regulation 16 Statement (appendix 2 and 5);
- Copies of the consultation documents made available for public inspection, at the Council's Civic Centre offices in Folkestone, and in libraries across the District;
- Placing of a formal public notice, in accordance with regulations 16 and 17 of the CIL Regulations 2010 (as amended), in local papers (Kent on Sunday, weekend of 7th/8th February 2015; Kentish Express, and Folkestone and Hythe Express, week commencing 9th February 2015) (appendix 6).

Respondents were requested to send their representations in writing to the Council, via email or by post. The Council's published Regulation 16 Statement of Representations and information on the Council's CIL webpage, also indicated that representations may be accompanied by a request to be heard by the examiner at the Examination in Public of the CIL Draft Charging Schedule.

Respondents

By the close of the consultation 13 representations on the draft CIL Charging Schedule had been received. Table 1 provides details of organisations submitting comments and indicates if they wish to be heard at the Examination in Public (EIP).

Table 1: Draft CIL Charging Schedule Respondents		
Who	Ref.	Regulation 21 Request to be heard at EIP
Marine Management Organisation	CIL DCS 001	No
The Country Land & Business Association	CIL DCS 002	No
Kent Wildlife Trust	CIL DCS 003	No
Hawkinge Town Council	CIL DCS 004	No
The Environment Agency	CIL DCS 005	No
Planning Potential (on behalf of ALDI Stores Ltd)	CIL DCS 006	No
Savills (on behalf of Ellandi LLP)	CIL DCS 007	Yes
GVA (on behalf of Taylor Wimpey)	CIL DCS 008	Yes
Kent Police	CIL DCS 009	No
Kent County Council (KCC)	CIL DCS 010	Yes
Natural England	CIL DCS 011	No
English Heritage	CIL DCS 012	No
Andrew Beggs & Associates on behalf of Folkestone, Hythe & District Association of Surveyors, Valuers, Auctioneers and Estate Agents	CIL DCS 013	No

The representations listed by table 1 can be viewed in full at appendix 7 of this report, in accordance with Regulation 19(1) of the CIL Regulations 2010 (as amended).

Summary of Main Issues Raised

Appendix 1 provides a summary and review of the topics and issues raised by representations on the Draft CIL Charging Schedule consultation, along with the Council's response. In particular, the following key issues were raised by respondents:

- GVA, on behalf of Taylor Wimpey have challenged the proposed CIL rates for residential developments, citing a different perspective on development scenarios, residential sales values, construction costs, and land values.
- Planning Potential, on behalf of ALDI Stores Ltd, are requesting that a 2,500 sq m retail floorspace threshold be used before CIL kicks in for non Folkestone town centre locations.
- The Country Land and Business Association (CLA) have asked for clarification on how CIL will apply to the build for rent market.
- Savills, KCC, the Kent Police, English Heritage, have requested greater clarity on the draft R123, particularly the distinction between what CIL will fund, and projects that will be funded by s106. KCC in particular have provided detailed comments on this.
- In addition to the above issues, the CLA and GVA, requested that SDC review its draft Instalments policy, to take account of project completion rather than commencement for smaller rural schemes (CLA); and development phasing for larger schemes (GVA).

Appendices

Appendix 1: Shepway's Draft CIL Charging Schedule Summary of Consultation Responses & Representations		
Ref.: CIL DCS 002 / Country Land & Business Association (CLA)		
Comments / Representations	SDC Response	Effect on Draft CIL Charging Schedule
<p>Rural Non Residential Charges</p> <p>Supports SDC's decision to impose a nil-rate CIL rating on non-residential and smaller scale commercial development, which are taken to include agricultural or forestry, employment and commercial development, as these are important areas for rural landowners and farmers to diversify into in order to support their farming and forestry enterprise. In addition, farmers and landowners are often forced to upgrade their buildings and infrastructure due to legislation with no commercial gain to the enterprise. If a CIL is imposed on these types of enterprise it would have had a major impact on the farming and rural business community, who would have been unable to afford the increased cost of the development due to the CIL.</p>	<p>Proposed nil CIL rating for non residential and commercial development, include the type of developments indicated by the CLA representation.</p>	<p>No change required</p>
<p>Rural Residential Charges</p> <p>Concerned about the significant increase in levy in Zone D as compared to Zone A and B, but recognises that the latter are a priority for the attraction of development. Notwithstanding this difference, the CLA welcomes the lower charges to be imposed in these rural areas where development can be financially marginal and is often stifled by planning restriction.</p> <p>CLA considers higher charges will act as a significant disincentive for development in rural areas. In addition, we are concerned to see no relief on affordable, key worker or tied dwellings.</p>	<p>Independent viability study indicates that proposed CIL rates in zone D won't impact significantly on commercial viability.</p> <p>All development proposals will also be subject to appropriate affordable housing policies as set out in the Core Strategy Local Plan.</p>	<p>No change required</p>
<p>Infrastructure Spending Proposals</p> <p>Proposed infrastructure spending has a strong urban bias, particularly in Folkestone. Market housing in rural areas is being used to subsidise this increased infrastructure.</p> <p>The CLA feels strongly that all developments being requested to contribute to infrastructure should have the opportunity to negotiate the level of payment depending on what a community/area needs.</p>	<p>Most of the residential development proposed by the Core Strategy Local Plan will take place in the urban areas of the District. Parish and Town Councils will retain a 15% or 25% (if Neighbourhood Plan in place) share of CIL income, for use in their areas.</p> <p>S106 agreements can still apply to significant development proposals, but have to be tied closely to 'local' site specific mitigation measures.</p>	<p>No change required</p>

<p>Payment Dates on CIL Amounts</p> <p>Concerned about the due date for CIL payments being the commencement of developments. For rural development in particular, development projects are often marginal and cash flow issues can stifle development. Payment due date should be tied to the completion of the project or occupation of the relevant buildings to reflect the financing issues faced by many rural developers, especially of smaller scale.</p>	<p>CIL Regulations prescribe payment timings. SDC will however review its proposed draft Instalments Policy in light of comment, to see if there is flexibility within the CIL regulations.</p>	<p>Draft instalments policy not subject to EIP.</p>
<p>Payment in Kind</p> <p>The provision for payment in kind is welcomed by the CLA. Whilst it is recognised that reaching agreement on such works might be complicated, it is seen as a progressive step and recognises the positive input that (particularly), rural businesses can have on the communities.</p>	<p>Comments noted</p>	<p>Payment in kind policy not subject to EIP</p>
<p>Development for Rental Market</p> <p>The CLA would like to know what will happen where landowners decide to build houses to keep within their long term ownership (build to rent), to diversify their income through a residential portfolio of properties. There are no capital receipts from which to fund a CIL charge, rather the CIL charge would have to be met from existing revenues which the land manager is trying to improve by diversifying to obtain an alternative rental income stream. In this case we believe the Council should be more flexible in their approach for the payment of CIL for example not charging the CIL if a legal agreement is given that the new property would remain available for private rental for a period of at least 5 years.</p>	<p>The CIL Regulations indicate that this market segment should be considered in the same way as market housing developed for sale, for the purpose of CIL.</p>	
<p>Houses for Essential Workers</p> <p>The CLA has concerns that there is no allowance for housing needed for rural businesses such as agricultural, forestry and other essential rural workers. The CLA would like clarification that these dwellings will be treated the same as affordable housing, with a nil rate set for CIL. Our view is that the CIL should not apply to these dwellings which will have been justified as a requirement for the business.</p>	<p>The CLA hasn't presented viability evidence, which would necessarily justify a lower or zero CIL rate for rural worker housing.</p> <p>Notwithstanding the above point, the CIL Regulations 2010 (as amended) identify the types of 'social housing' that the Government considers should be offered 100% exemption from CIL, where applications are duly made. Regulation 49 of the Regulations provides that social housing includes 'assured agricultural occupancies' where these are let by a private registered provider of social housing, a registered social landlord, or a local housing</p>	<p>No change required</p>

	authority. This provides an opportunity for rural worker housing to be delivered without a requirement to pay CIL.	
--	--	--

Ref.: CIL DCS 005 / The Environment Agency (EA)		
Comments / Representations	SDC Response	Effect on Draft CIL Charging Schedule
<p>Draft Regulation 123 List</p> <p>The EA is pleased that the draft Regulation List (draft January 2015) includes flood defences and other environmental infrastructure.</p>	Comments noted	No change required

Ref.: CIL DCS 006 / Planning Potential on Behalf of ALDI Stores Ltd		
Comments / Representations	SDC Response	Effect on Draft CIL Charging Schedule
<p>Retail Zones</p> <p>Acknowledge changes made to the CIL PDCS as stated in the draft CIL CS, in respect to exemption of new retail floorspace within Folkestone Town Centre, which is fully supported.</p> <p>Also supportive of the undertaking of further appraisals based on different scales of retail floorspace, as requested by response to CIL PDCS.</p>	Comments noted	No change required
<p>Retail Thresholds</p> <p>As per previous comments on CIL PDCS, promote the introduction of a 2,500 sq m floorspace threshold to differentiate between different formats of retail developments, given this represents the NPPF defined threshold figure for when the impacts of new development may, on balance, become significant. This figure is reflective of larger supermarket formats that may be considered to have the greatest retail 'impact'.</p> <p>The figure (2,500 sq m) therefore has greater relevance than other figures that may, more reasonably, be considered arbitrary. It remains their view that further differentiation between retail formats is essential.....the introduction of a second retail threshold would provide a practical solution to differentiate between Limited Assortment Discounters (LADs) and larger supermarket formats.</p>	The proposed retail floorspace threshold is considered appropriate in that it will not adversely impact on the delivery of the Local Plan.	

<p>Introducing a charging schedule that is based on a retail format and trading densities that are materially different to an LAD – but which they would still be liable for – unfairly prejudices against such formats and creates a commercial advantage for larger supermarket operators.</p> <p>Acknowledge the point made at paragraph 2.12 (Supplementary report - Viability) that the Viability of different development schemes is driven by a range of site specific characteristics, but it is the case that the prospective CIL charge rate is a key factor when assessing viability, and a single blanket charge rate still has the potential to have disproportionate impacts. If a single charge rate is proposed for all retail formats above 280 sq m, then the rate should be lowered to reduce potential impacts on viability.</p> <p>The Supplementary Viability report suggests there is a risk of ‘over-complicating’ the Charging Schedule, but we (Planning Potential) strongly believe that this should not be to the detriment of ensuring fairness within the proposed rates. In contrast, there is also a significant danger of over-simplifying the matter, to the detriment of investment opportunities within the District. Attention is drawn to paragraph 37 of the CIL Guidance (April 2013), which states ‘charging schedules should not impact disproportionately on particular sectors or specialist forms of development’.</p>		
---	--	--

Ref.: CIL DCS 007 / Savills, on behalf of Ellandi LLP		
Comments / Representations	SDC Response	Effect on Draft CIL Charging Schedule
<p>Proposed Retail Rates – Folkestone Town Centre</p> <p>Following representation to the CIL PDCS, welcome amendments that have been made to the draft CIL CS in relation to the definition (location, type and scale) of chargeable retail development within Shepway. Accordingly, we fully support the identification of a separate charging zone for retail development within Folkestone Town Centre and the setting of £0 per sq m for all convenience and comparison retail and other development akin to retail within this area.</p>	<p>Comment noted</p>	<p>No change required</p>
<p>Proposed Residential Rates – Folkestone Town Centre</p> <p>Support a nil CIL rate for residential development within Zone A, which includes Folkestone Town Centre.</p>	<p>Comment noted</p>	<p>No change required</p>

<p>Draft Regulation 123 List</p> <p>Welcome publication of the Draft Regulation 123 list. However, do have initial concerns regarding the level of detail it includes. At present the types of infrastructure listed as being considered for support through CIL receipts is wide ranging and refers to generic infrastructure types such as, business infrastructure, public realm enhancements and community safety, as opposed to specific projects which are necessary to enable the delivery of Planned development. Accordingly, it is not considered that the Regulation 123 list provides sufficient definition about which infrastructure projects will be provided through CIL and which will rely on Section 106 contributions.</p> <p>Welcome further clarity on what is to be funded through the Draft 123 list and S106 contributions, and look forward to this being addressed by the Council in advance of the Charging Schedule being submitted for Examination.</p>	<p>Comments noted</p>	<p>To review draft R123 list</p>
--	-----------------------	----------------------------------

<p>Ref.: CIL DCS 008 GVA, on behalf of Taylor Wimpey</p>		
<p>Comments / Representations</p>	<p>SDC Response</p>	<p>Effect on Draft CIL Charging Schedule</p>
<p>Proposed CIL rates and Zones</p> <p>Object to the proposed CIL charging rates for Zones B, C & D for residential development as believe these have been set at too high a rate and will therefore impact on the viability and deliverability of residential schemes.</p> <p>Schemes will not be able to afford to provide 30% affordable housing and pay the suggested CIL charging rates.</p>	<p>The proposed CIL rates are derived from the evidence and findings of an independent CIL and Whole Plan economic viability study.</p> <p>The Council's retained viability consultants, Dixon Searle Partnership (DSP) calculate that the proposed £0 - £125 per sq m CIL rates represent not more than 4% of sales values at the upper end. Most of the development scenarios are expected to fall well within this impact level, which means the CIL rates are set at an appropriate level so as not to impact on Local Plan delivery.</p> <p>The viability study's assumptions also include Whole Plan policy impacts. When considered with the proposed CIL rates, they don't impact on Local Plan delivery.</p> <p>The Government's policy on relaxing affordable housing requirements will in many instances, increase developers' profit margins.</p>	<p>No change required</p>

<p>CIL and Whole Plan Economic Viability Assessment</p> <p>Have reviewed the report prepared by DSP in July 2014, and the Supplementary Viability Report dated January 2015. Key issues raised given as follows:</p>		
<p>Development Scenarios</p> <p>No issues with the residential scheme types assessed, but the range of apartment unit sizes assumed is smaller than the market is currently delivering and not comparable to the market values in Appendix 1 of the July 2014 report. Those values in GVA's experience are only achieved for larger 1 and 2 bedroom apartment units. Using these values with smaller units has the effect of underestimating the construction costs in the various appraisals.</p>	<p>DSP consider that the relationship between property size, sales values and development costs has been appropriately considered, given the nature of the viability study and that all schemes will vary and be dependent on site specific circumstances.</p>	<p>No change required</p>
<p>Residential Sales Values</p> <p>In terms of the residential sales values being achieved, there are very few examples of new build properties achieving the higher end VL9 – VL12 of £3,350 to £4,200 per sq m. These are normally only secured on very selective small plots in small exclusive areas and should not be used to correlate across large areas of the District or apply to larger schemes.</p> <p>From looking at the residential comparable sales information available within the District, GVA disagree with the contents of Figure 6 (June 2014 Viability Study). Areas have been allocated to value zones which are simply not achievable or appropriate, based on the evidence of housing delivered over the recent past.</p> <p>GVA are of the opinion that:</p> <ul style="list-style-type: none"> - New Romney & Littlestone should be within VL1, VL2 & VL3 only - Folkestone 2, Dymchurch, Burmarsh & Hawkinge should also be included in VL1 - Rural 1 & Folkestone 3 should be within VL2, VL3 & VL4 only - Rural 3 & Hythe should be in VL4, VL5 & VL6 - Rural 4 & Folkestone 4 should be within VL5 & VL6 - Rural 5 should be within VL6, VL7 & VL8 <p>The value range suggested above are in line with the current market and should be used to inform the analysis for the CIL rates, Using VL9 – VL12 over-estimates the sales values within the appraisals and will lead to the wrong conclusions being made.</p>	<p>DSP calculate that the proposed £0 - £125 per sq m CIL rates represent not more than 4% of sales values at the upper end. Most of the development scenarios are expected to fall well within this level of impact, which strongly suggests that the CIL rates are set at an appropriate level so as not to impact on Local Plan delivery.</p> <p>In addition, since publication of the July 2014 Viability Study, sales values for new properties in the district have increased.</p> <p>The value areas defined by the Viability Study are therefore considered to remain robust in respect of providing supporting evidence for the proposed CIL rates.</p>	<p>No change required</p>
<p>Construction Costs</p> <p>In terms of the level of construction costs used, GVA agree that these should be derived from the RICS Building Cost Information Service (BCIS) for</p>	<p>Acknowledge that build costs have increased since the publication of the Viability Study, but that this has been from a low base following the</p>	<p>No change required</p>

<p>Shepway District. However, over the past 9 months, the industry has seen a large increase in construction costs as a result of material and labour shortages.</p> <p>GVA compare costs used by DSP to the BCIS figures for November 2014 (refer to full representation by GVA).</p> <ul style="list-style-type: none"> - Houses, mixed development: 13% cost increase per sq m (July to Nov. 14) - Houses , 3 units or less: 13% cost increase per sq m (July to Nov.14) - Flats, generally: 12% cost increase per sq m (July to Nov. 14) - Flats, 6+ storey: 15% cost increase per sq m (July to Nov. 14) <p>This indicates that the actual increase in construction costs from July to November 2014 is the same rate or higher than the highest CIL rate proposed.</p> <p>You then have to factor in the allowances for externals which are typically between 15% and 20% of base build cost, plus professional fees and contingencies. The net effect of this is to seriously under-estimate the residential construction costs within the appraisals.</p>	<p>recession. In addition, there is no evidence to suggest that the increase has been so significant so as to outweigh the positive influence of increased housing market stability and an upward sales value trend for new build properties.</p> <p>Generally it can be assumed that development cost burdens on smaller sites have also reduced, due to the Government changes to affordable housing requirements, and the proposed reductions in S106 requirements for brown field sites.</p> <p>In addition, the Viability Study's development scenarios' assumptions make no allowance for netting-off existing floorspace, which will serve to often reduce CIL liability, particularly for PDL.</p>	
<p>Land values</p> <p>GVA notes that DSP have assessed land values between £500k / ha & £1.2m / ha to test against their RLVs. On PDL, they use a land value benchmark of £750k / ha. In GVA's experience, PDL values are much nearer to the £950k / ha. Even for greenfield land, there is no differentiation between net and gross areas, as generally there is a requirement to provide substantially more green / open space on these types of developments.</p> <p>In GVA's view it would be more appropriate to test Greenfield land at £700k / ha; PDL at £950k / ha; and leave the highest value at £1.2m / ha.</p>	<p>DSP consider that GVA are overstating the cost of PDL land values, given recent transactions in the District. Therefore the assumptions on land values used by the Viability Study remain robust and appropriate.</p>	<p>No change required</p>
<p>Conclusions on proposed residential CIL rates</p> <p>If DSP's appraisals were to be re-run taking into account GVA's market led assumptions on residential sales levels and land values, and the latest BCIS costs, then allowing for sensitivity testing, the results would show that Residential Zone B would not be able to afford to pay a CIL charge; Residential Zone C would only be able to afford to pay a £50 per sq m CIL charge; and Zone D would be able to pay a £75 per sq m CIL Charge.</p> <p>The CIL levy should be expected to have a positive economic effect on development across a local plan area. Therefore when deciding the levy rates, an appropriate balance must be struck between additional investment to support development and</p>	<p>Given the review of GVA's representations, and DSP's considerations, the proposed CIL rates remain appropriate and will not impact on the delivery of the Local Plan.</p> <p>Therefore, GVA's suggested reduction in CIL rates are not considered to be an appropriate response. In addition during 2 rounds of consultation on the proposed CIL Rates, no other developer or their agents have submitted similar representations, requesting a reduction in the</p>	<p>No change required</p>

<p>the potential effect on the viability of developments. As the residential draft charging rate currently stands, it will have a detrimental impact on the viability and deliverability of residential schemes in the District.</p> <p>Therefore request that consideration is given to reduce the CIL rates as proposed by GVA, in order to allow the market to continue to deliver the homes beyond the Strategic Sites needed within the District.</p>	<p>proposed CIL rates.</p>	
<p>Draft CIL CS Tables</p> <p>Table 2 Support principle of the Town Centre having a nil charge CIL rate, although believe that this should not include supermarkets or retail warehouses. Therefore suggest that these 2 uses are excluded from the Folkestone Town Centre area, as the evidence suggests they can afford to pay a CIL charge in line with the rest of the District definitions on the table.</p> <p>Table 3 In agreement that the key strategic sites identified by table 3 are more appropriately addressed by S106 and should therefore have a nil CIL charge rate.</p> <p>Table 4 Support the contents of table 4 as GVA agree the proposed uses could not afford to pay a CIL charge.</p>	<p>Comments noted.</p> <p>Evidence presented by the CIL & Whole Plan Economic Viability Study indicates supermarkets and retail warehouse developments located in the Folkestone town centre areas would not be able to sustain a CIL charge.</p>	<p>No change required</p>
<p>Draft Instalment Policy</p> <p>Support the principle of the Policy as it will increase the viability of future developments schemes, but suggest amending the proposed payment phasing (refer to GVA submission letter for details).</p>	<p>SDC to review its proposed draft Instalments Policy in light of comments.</p>	<p>Draft Instalment policy not subject to EIP</p>
<p>Draft Payments in Kind Policy</p> <p>Support the principle of the policy. Request however that the interest in the land or properties to be transferred could either be on the basis of a long leasehold interest or freehold interest.</p> <p>Also advise that this should include the provision of play-space, public open space and commuted sums for maintenance of an area</p>	<p>SDC to review its proposed draft Instalments Policy in light of comments.</p>	<p>Draft Payment in kind policy not subject to EIP</p>
<p>Exceptional Circumstances Relief Policy</p> <p>Note that the Council are still not promoting an Exceptional Circumstances Relief Policy. GVA consider this is a mistake and should be re-considered as there are many sites within the District that could only come forward on the basis of such as a Relief Policy. As the CIL regulations allow the Council to introduce such a policy at any stage, GVA would expect the Council to keep this under</p>	<p>Comments noted</p>	<p>Exceptional Circumstances Relief policy not subject to EIP</p>

review as part of their monitoring process and look to bring in such a policy if required.		
Discretionary Relief from CIL Support the Council's policy on discretionary relief.	Comments noted	Discretionary Relief policy not subject to EIP
Monitoring and Review Support the Council's intentions on monitoring and review and would expect that Council to act immediately in the event of a market / economic downturn.	Comments noted	No change required
Draft Infrastructure Assessment & Delivery Plan In appendix 2, Critical Infrastructure, Taylor Wimpey have agreed to provide the land required for the new primary school on Strategic Site SS7 and make a capital contribution of £3,143,222 towards the construction of the new primary school. On Strategic Site CSD9, whilst the contribution that Taylor Wimpey has agreed to make is correct, they have also had to acquire third party land in order to be able to transfer the land to KCC. These costs should therefore allow for the entire costs of providing the land and building the schools. Within the Necessary Infrastructure – transport costs, all those that relate to Shorncliffe Garrison have recently been updated and therefore the costs stated should be amended.	Comments noted – Draft Infrastructure Assessment & Delivery Plan to be updated as appropriate.	No change required

Ref.: CIL DCS 009 / Kent Police		
Comments / Representations	SDC Response	Effect on Draft CIL Charging Schedule
Draft Regulation 123 List If it is SDC's intention to include policing infrastructure under Health & Social Care facilities...or Community Safety, then Kent Police believes the draft CIL Charging Schedule is sound. However, if that is not the intention then Kent Police objects to the draft CIL Charging Schedule (for reasons outlined in their letter).	All requests for CIL support will be considered via appropriate governance arrangements, after a CIL Charging Schedule is adopted. The Community Safety heading in the draft Regulation 123 list will be used in the main, to consider CIL funding requests for appropriate enhancements to police infrastructure, resulting from the delivery of the Core Strategy Local Plan's policies on residential developments.	No change required

Ref.: CIL DCS 010 / Kent County Council

Comments / Representations	SDC Response	Effect on Draft CIL Charging Schedule
<p>Retail</p> <p>KCC welcomes the clarity provided on the application of the proposed retail rates and the inclusion of a threshold (280 sq m) for retail developments, which would be considered as 'large scale' (Table 2: Retail Developments)</p>	<p>Comments noted</p>	<p>No change required</p>
<p>Other Developments</p> <p>KCC welcomes the inclusion of land use classes B, C1, C2 and D in 'Table 4: Other Developments', confirming that buildings for its community services are zero rated. However the County Council reiterates its request for confirmation that a zero charge will also be applied to eligible minerals and waste uses.</p>	<p>Eligible minerals and waste uses to be considered as sui generis under the land use B Classes, so are zero rated.</p>	<p>No change required</p>
<p>Monitoring and Review</p> <p>KCC notes that the DCS does not feature a monitoring and review framework which would assist in ensuring that CIL rates reflect market conditions and wider influences on development viability and deliverability. KCC suggests that the monitoring and review framework is (re) incorporated into the DCS, as it was included in the PDCS (page 14).</p>	<p>Comments noted</p>	<p>Monitoring and review section to be updated.</p>
<p>Draft Regulation 123 List</p> <p>The County Council has serious concerns regarding the wording of the draft Regulation 123 list. The Planning Practice Guidance (PPG) on the operation of the CIL (ID 25-097-20140612) states:</p> <p>'Where the regulation 123 list includes a generic type of infrastructure (such as education or transport), section 106 contributions should not be sought on any specific projects in that category'.</p> <p>It is for this reason that good practice (i.e. Planning Advisory Service) suggests that charging authorities should include specific infrastructure projects within a generic type of infrastructure to be eligible for s106.</p> <p>The draft Regulation 123 list is ambiguous and KCC strongly suggests that clarity is required on a number of aspects including, but not restricted to:</p>	<p>The background note appended to the draft R123 list identifies a list of specific infrastructure projects within a generic category that will be eligible for s106. The projects listed are also related mainly to developments that will be exempt from CIL.</p>	<p>The draft R123 list will be reviewed to provide clarity on CIL and s106.</p>

<p>Use of CIL Receipts</p> <p>The generic list of projects on page 1 <i>'which will be considered for support through CIL receipts'</i> are similar to the projects listed on page 2 which <i>'will continue to be addressed through s106'</i>.</p>	<p>See not above</p>	<p>As above</p>
<p>Education</p> <p>The district Council proposes the use of s106 for education provision where residential development is of <i>'significant scale to create a demand for new facilities and schools'</i>. However <i>significant</i> is not defined and even a minor development scheme (i.e. less than 10 units) might generate demand beyond existing capacity.</p> <p>Furthermore, schemes (of all sizes) do not necessarily give rise to a requirement for <i>"new facilities and schools"</i>; the expansion of an existing school might be appropriate to mitigate the level of impact. For example, part of the section 106 contribution from the Folkestone Seafront development has been earmarked to expand the new primary school at Shorncliffe Garrison from one form of entry to two forms – this is not a <i>"new"</i> facility or school.</p> <p>The County Council strongly suggests that the District Council revisits the wording of the Education projects listed on page 2. For example, <i>"Hythe existing primary school expansion"</i> and <i>"Romney Marsh existing primary school expansion"</i> is vague and should be linked to specific projects, i.e. the expansion of Palmarsh Primary School which is to be funded via the Nickolls Quarry section 106 agreement. The current wording would preclude the future use of any CIL receipts for the expansion of any other schools in Hythe.</p> <p>Similarly, is the District Council referring to a section 106 agreement from the New Romney Broad Location (Core Strategy Policy CSD8)? If so, the wording should be linked to specific projects, i.e. the expansion of St Nicholas Primary School. The current wording would preclude the future use of any CIL receipts for the expansion of any other schools in the Romney Marsh.</p>	<p>Defining 'significant' is problematic because it will be locationally specific. It is therefore advised that a residential unit threshold is not applied as a trigger for s106 contributions, rather this should be considered as part of a case by case review of planning proposals as and when they are submitted.</p> <p>A clearer definition of what is meant by a project that will be funded by s106 will be provided in a revised draft R123 list.</p> <p>List of S106 projects to be reviewed and updated.</p>	<p>As above</p>
<p>Use of S106</p> <p>KCC supports the use of section 106 to mitigate the impact of the strategic sites (Folkestone Seafront and Shorncliffe Garrison) and broad locations (New Romney and Sellindge) on local infrastructure provision. However the draft Regulation 123 list must clearly specify which projects are <i>excluded</i>, particularly as the District Council is to continue its approach of setting out generic infrastructure types within the list.</p>	<p>Comments as above</p>	<p>As above</p>

<p>Review (Regulation 123 List)</p> <p>The County Council recognises that other infrastructure needs may arise over the course of time in response to development proposals and local needs.</p> <p>The PPG on the operation of the CIL (Paragraph: 098 Reference ID: 25-098-20140612) states:</p> <p><i>“When charging authorities wish to revise their regulation 123 list, they should ensure that these changes are clearly explained and subject to appropriate local consultation.”</i></p> <p>KCC therefore requests that the Regulation 123 list does not seek to reprioritise its infrastructure requirements without prior consultation and agreement from the County Council.</p>	<p>Any changes to an adopted R123 list proposed by SDC will be subject to the required consultation requirements as noted by the CIL Regulations.</p>	<p>No changes required.</p>
---	---	-----------------------------

Ref.: CIL DCS012 / English Heritage		
Comments / Representations	SDC Response	Effect on Draft CIL Charging Schedule
<p>Historic Environment Reference</p> <p>As there is currently no reference to the historic environment within the draft Charging Schedule, English Heritage would encourage including additional text to refer to the historic environment as a form of infrastructure and how the levy can positively contribute to the protection, conservation and enhancement of the historic environment.</p>	<p>The draft CIL Charging Schedule doesn't have to specify which types of infrastructure and projects will be supported by CIL, with this considered by the draft R123 list.</p>	<p>No changes required</p>
<p>Draft Regulation 123 List</p> <p>We also recommend that the Regulation 123 list requests investment in the protection, conservation and enhancement of heritage assets and their settings to ensure CIL monies are available to fund appropriate initiatives.</p>	<p>The draft R123 list has a 'Cultural and heritage facilities' thematic infrastructure category, which addresses the English Heritage point.</p>	<p>No changes required</p>
<p>Heritage Assets Evidence Base</p> <p>English Heritage would also recommend that the Charging Schedule is fully informed by an up to date and relevant evidence base for the historic environment and its heritage. The evidence base will likely assess 'heritage at risk' in the borough and this could provide a useful insight into project opportunities for the Regulation123 List.</p>	<p>Comments noted</p>	<p>No changes required</p>
<p>S106 and Heritage Considerations</p> <p>Without prejudice to the above, development specific planning obligations and S106 should continue to offer opportunities for funding improvements to and the mitigation of adverse</p>	<p>Comments noted</p>	<p>No changes required</p>

impacts on the historic environment, such as archaeological investigations, access and interpretation, and the repair and reuse of buildings or other heritage assets. You may wish to clarify this matter in your schedule.		
<p>Discretionary Relief for Exceptional Circumstances</p> <p>We are (therefore) encouraging Local Authorities to assert their right to apply discretionary relief for exceptional circumstances; where development which affects heritage assets and their settings and/or their significance, may become unviable if it was subject to CIL.</p>	The Council has decided not to offer this type of policy, but will review its impact as part of the monitoring of an adopted CIL Charging Schedule.	No changes required.

Ref.: CIL DCS 013 / Andrew Beggs & Associates / Folkestone, Hythe & District Association of Surveyors, valuers, Auctioneers and Estate Agents		
Comments / Representations	SDC Response	Effect on Draft CIL Charging Schedule
<p>CIL and S106</p> <p>The apparent simplicity of the proposed new levy seems to be extremely attractive, but it would only be so if it replaces S106 requirements. Builders and developers can then assess exactly what their expenses are from the outset rather than having to enter into complicated negotiations.</p>	CIL and s106 agreements are likely to only apply together on significant development proposals. It is therefore highly probable that the majority of planning applications for smaller developments where CIL applies will only be subject to a CIL charge.	No changes required.
<p>CIL Rates</p> <p>The proposed size of the levy does give rise to some major concerns particularly as adjoining Local Authorities at Ashford, Dover, Canterbury etc., have not yet attempted to introduce CIL this will have the effect of making new housing costs in particular about £10,000 dearer on a small modern house. The impact of that, in an area where margins are extremely tight, could have a major slowing down effect forcing builders and developers to look at adjoining areas in preference to building in Folkestone. At a time when the County needs cheap housing the size of the levy, in my view, is totally unrealistic. I would suggest if the District Council wishes to proceed it should do so on the basis of a fairly nominal contribution to begin with and to review the situation as other Local Authorities introduce levy's in the adjoining areas.</p> <p>When you add this £10,000 to the £25,000 which was added by Code 3 of the Building Regulations we could end up with the same situation of years ago when Development Land Tax was introduced and literally no land came on to the market and the housing shortage got worse rather than better. I urge your Council to reconsider some of these points,</p>	The proposed CIL rates are derived from the evidence and findings of an independent CIL and Whole Plan economic viability study. The proposed CIL rates have therefore been set at an appropriate level so as not to adversely impact on the delivery of the Local Plan.	No changes required.

Appendix 2: Regulation 16 Statement



**Planning Act 2008 (as amended)
Community Infrastructure Levy Regulations 2010 (as amended)
Shepway District Council
Draft CIL Charging Schedule Consultation
Regulation 16 Statement of Representations Procedure**

Consultation

Shepway District Council hereby gives notice that it intends to submit a Draft Community Infrastructure Levy (CIL) Charging Schedule for public examination, under Section 212 of the Planning Act 2008.

In accordance with Regulations 16 and 17 of the Community Infrastructure Levy Regulations 2010 (as amended), Shepway District Council is inviting representations on its Draft Charging Schedule. The following documents have therefore been made available for consultation / inspection:

- Shepway District Council Draft CIL Charging Schedule (January 2015)
- Relevant evidence to support the Draft Charging Schedule (including viability and infrastructure assessments)
- Statement of representations procedure (this document)

Consultation Period

In accordance with Regulation 17 (2) (a), of the CIL Regulations, all representation on the draft CIL Charging Schedule, must be made within the following 6 week time period:

- 9th February to 23rd March 2015 (representations to be sent by 5pm).

How to View Consultation Documents

The Draft CIL Charging Schedule and supporting documents are available on the Council's website at: <http://www.shepway.gov.uk/content/view/201786/206/>

Hard copies of documents can also be viewed at the Council's main office address and in the following libraries, during advertised normal opening times:

Shepway District Council
Civic Centre
Castle Hill Avenue
Folkestone, Kent CT20 2QY

Libraries:

Library	Address
Cheriton	64 Cheriton High Street, Folkestone CT19 4HB Tel: 03000 413131
Folkestone	2 Grace Hill, Folkestone CT20 1HD Tel: 03000 413131
Hythe	1 Stade Street, Hythe CT21 6BQ Tel: 03000 413131
Lydd	Skinner Road, Lydd, Romney Marsh, TN29 9HN Tel: 03000 413131
Lyminge	Station Road, Lyminge, Folkestone CT18 8HS Tel: 03000 413131
New Romney	82 High Street, New Romney TN28 8AU Tel: 03000 413131
Sandgate	Sandgate High Street, Sandgate, CT20 3RR Tel: 01303 248563
Wood Avenue	Wood Avenue, Folkestone CT19 6HS Tel: 03000 413131

Representations

Representations on the Draft CIL Charging Schedule must be made in writing and can be submitted by email or post via the following addresses:

Planning.policy@shepway.gov.uk (with 'CIL consultation' in the subject bar).

Or by post:

Draft CIL Charging Schedule Consultation
Shepway District Council
Planning and Building Control
Planning Policy
Civic Centre, Castle Hill Avenue
Folkestone, Kent CT20 2QY

Withdrawal of Representation

Any person making representations on the Draft CIL Charging Schedule may withdraw those representations at any time by giving notice to Shepway District Council in writing at the email or postal addresses above.

CIL Examination: Right to be heard

Organisations and individuals making representations may request to be heard in person at any related Examination in Public, and/or to be notified, at a specified address, before the end of the consultation period (5pm, 23rd March 2015).

Any person making representations may request that they be notified at a specified address of any the following:

- That the Draft CIL Charging Schedule has been submitted to the examiner in accordance with section 212 of the Planning Act 2008;
- The publication of the recommendations of the examiner and the reasons for those recommendations, and
- The approval of the CIL Charging Schedule by the Council

Further Information or Enquires

For further information or enquires about the Community Infrastructure Levy in Shepway, please contact the Council's planning policy team on tel.: 01303 853364, or planning.policy@shewpay.gov.uk

Statutory Compliance

This statement of Representation Procedure on Shepway District Council's Draft CIL Charging Schedule, has been produced and published in accordance with the Community Infrastructure Levy Regulations 2010, (as amended) and Part 11 of the Planning Act 2008 (as amended).

(Date: January 2015)

Appendix 3: Letters Sent to CIL PDCS Respondents

The following organisations and individuals sent in comments and representations in response to the consultation on Shepway District Council's CIL PDCS. They were contacted directly to alert them to the consultation on the draft CIL Charging Schedule, to invite further comments and representations as appropriate.

Shepway CIL PDCS Consultation Respondents	SDC reference
Kent Channel Chamber of Commerce	CIL PDCS-001
Marine Management Organisation	CIL PDCS-002
Kent Downs AONB	CIL PDCS-003
KCC Member	CIL PDCS-004
Savills (on behalf of Ellandi LLP)	CIL PDCS-005
Thomas Eggar (on behalf of Asda)	CIL PDCS-006
Natural England	CIL PDCS-007
Environment Agency	CIL PDCS-008
New Romney Town Council	CIL PDCS-009
Southern Water	CIL PDCS-010
Kent Police	CIL PDCS-011
KWT	CIL PDCS-012
KCC	CIL PDCS-013
RPS (on behalf of GSE group)	CIL PDCS-014
Sellindge Parish Council	CIL PDCS-015
The Planning Bureau (on behalf of McCarthy & Stone)	CIL PDCS-016a CIL PDCS-016b CIL PDCS-016c
Other resident (not residing in Kent)	CIL PDCS-017
Planning Potential Ltd (on behalf of Aldi Stores Ltd)	CIL PDCS-018
Dover District Council	CIL PDCS-019
Folkestone Town Council	CIL PDCS-020

Your Ref:
Our Ref: SDC/CILCS/Feb15
Direct Dial: 01303 853364
Fax:
E-Mail: planning.policy@shepway.gov.uk
Date: 05 February 2015

Folkestone
Hythe & Romney Marsh
Shepway District Council



Circulation to:
Angela Gemmill
Relationship Manager
Marine Management Organisations

Dear Angela,

**Shepway District Council Community Infrastructure Levy (CIL)
Public Consultation: Draft CIL Charging Schedule
Monday 9th February, to 5pm Monday 23rd March 2015**

You may recall that Shepway District Council issued a Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (PDCS), for consultation during the summer of 2014.

Given you kindly submitted representations in response to the CIL PDCS consultation, I am writing to inform you that on Monday 9th February, the Council will commence its next stage consultation on a draft CIL Charging Schedule. The consultation period lasts for a 6 week period, until 5pm on Monday 23rd March 2015. This represents the final formal consultation on the development and introduction of CIL in the district, before the draft Charging Schedule is submitted to the Planning Inspectorate for examination in public.

The Council is inviting comments and representations from residents, businesses, parish and town councils, neighbouring local authorities, the County Council, developers and the development industry, and any organisation or person that may have an interest in CIL and the proposals set out by the draft CIL Charging Schedule.

A copy of the draft CIL Charging Schedule is enclosed for your attention. The Charging Schedule along with supporting documents, including a draft Regulation 123 List, CIL and Whole Plan Economic Viability Study, a Core Strategy Local Plan draft infrastructure assessment and delivery plan, and a Consultation Statement on the CIL PDCS, can also be viewed via the following web site address:

<http://www.shepway.gov.uk/content/view/201786/206/>

Hard copies of the consultation document and supporting information are available to be viewed at: **Shepway District Council Civic Centre, Castle Hill Avenue, Folkestone CT20 2QY; and at the District's libraries.**

Comments and representations on the draft Charging Schedule, supporting documents including the draft Regulation 123 list, and related matters should be made in writing, and sent by email or by post to the following addresses:

Shepway District Council
Civic Centre, Castle Hill Avenue, Folkestone, Kent, CT20 2QY
Telephone: (Switchboard) 01303 853000
E-mail: sdcl@shepway.gov.uk
DX 4912 Folkestone

www.shepway.gov.uk

By email:

Planning.policy@shepway.gov.uk

(with 'CIL Consultation' in the subject line)

By post:

Draft CIL Charging Schedule Consultation
Shepway District Council
Planning and Building Control
Planning Policy
Civic Centre, Castle Hill Avenue
Folkestone, Kent
CT20 2QY

Any person making representations on the draft Charging Schedule and / or associated documents, may request the right to be heard at the examination in public that follows this consultation. Persons making representations can also request to be notified of progress on the submission of the Charging Schedule for examination in public; the publication of the examination recommendations; and the adoption of the Charging Schedule by the Council.

Should you have any queries on the consultation, please use the contact details given at the top of this letter.

The Council greatly appreciates your consideration of the draft Charging Schedule and supporting documents, and welcomes your views.

Yours faithfully

Chris Lewis
Head of Planning

Appendix 4: General Consultation Email and Letter

From: Arnett, Stephen
Sent: 09 February 2015 10:08
To:
Subject: Sheapway draft CIL CS consultation -

Circulation to:

Dear

**Shepway District Council Community Infrastructure Levy (CIL)
Public Consultation: Draft CIL Charging Schedule
Monday 9th February, to 5pm Monday 23rd March 2015**

I am writing to inform you that on Monday 9th February, Shepway District Council will commence its public consultation on the attached draft Community Infrastructure Levy (CIL) Charging Schedule. Please therefore accept this email and the attached letter, as notification of the commencement of the public consultation on this document.

As per the Government's CIL Regulations and process, this is the second formal consultation on the development of CIL in the District, following on from the consultation on a CIL Preliminary Draft Charging Schedule (PDCS), during late summer 2014.

The Council is inviting comments and representations from residents, businesses, parish and town councils, neighbouring local authorities, the County Council, developers and the development industry, and any organisation or person that may have an interest in CIL and the proposals set out by the draft Charging Schedule.

Details and supporting documents, including a draft Regulation 123 list, can be viewed on the Council's website at: <http://www.shepway.gov.uk/content/view/201786/206/>; at the Civic Centre, Castle Hill Avenue, Folkestone CT20 2QY; and at the District's libraries.

The consultation period lasts for a 6 week period until 5pm on Monday 23rd March. The Council would greatly appreciate receiving your views on the draft CIL Charging Schedule, which represents the final formal consultation before the draft Charging Schedule is submitted to the Planning Inspectorate for examination in public.

If you wish to make comments in response to the consultation on the draft Charging Schedule and / or the supporting documents, please submit these in writing:

by email to - planning.policy@shepway.gov.uk (with 'CIL consultation' in the subject line);

or by post to - Draft CIL Charging Schedule Consultation
Shepway District Council
Planning and Building Control
Planning Policy
Civic Centre, Castle Hill Avenue
Folkestone, Kent
CT20 2QY

Any person making representations on the draft Charging Schedule and / or associated documents, may request the right to be heard at the examination in public that follows this consultation. Persons making representations can also request to be notified of progress on the submission of the Charging Schedule for examination in public; the publication of the examination recommendations; and the adoption of the Charging Schedule by the Council.

Thank you for considering the consultation - the Council welcomes your views and looks forward to receiving your response.

Kind regards

Stephen Arnett
Community Infrastructure Levy Officer
Planning Policy Team
Shepway District Council
Tel: 01303 853364

The Civic Centre
Castle Hill Avenue
Folkestone
Kent CT20 2QY
www.shepway.gov.uk

Your Ref:
Our Ref: SDC/draft CILCS/Feb15
Direct Dial: 01303 853364
Fax:
E-Mail: planning.policy@shepway.gov.uk
Date: 06 February 2015

Folkestone
Hythe & Romney Marsh
Shepway District Council



**Circulation to:
Planning and Building Control Agents, Surveyors, Estate Agents, Architects and
Other Planning / Property Advisers**

Dear Colleagues,

**Shepway District Council Community Infrastructure Levy (CIL)
Public Consultation: Draft CIL Charging Schedule
Monday 9th February, to 5pm Monday 23rd March 2015**

I am writing to inform you that on Monday 9th February, Shepway District Council will commence its public consultation on a draft Community Infrastructure Levy (CIL) Charging Schedule. The consultation period lasts for a 6 week period, until 5pm on Monday 23rd March 2015. This represents the final formal consultation on the development and introduction of CIL in the district, before the draft Charging Schedule is submitted to the Planning Inspectorate for Examination in Public.

The Council is inviting comments and representations from residents, businesses, parish and town councils, neighbouring local authorities, the County Council, developers and the development industry, and any organisation or person that may have an interest in CIL and the proposals set out by the draft CIL Charging Schedule.

You may be aware that CIL is a new charge that local authorities can levy on new developments in their area. It has been introduced by Government as their preferred approach for developers to provide funding contributions toward the infrastructure required to support developments in an area. A scaled back system of section 106 planning obligations will however continue to remain in operation once CIL comes into effect.

A copy of the draft CIL Charging Schedule is enclosed for your attention. The Charging Schedule along with supporting documents, including a draft Regulation 123 List, CIL and Whole Plan Economic Viability Study, and a Core Strategy Local Plan draft infrastructure assessment and delivery plan, can also be viewed via the following web site address:
<http://www.shepway.gov.uk/content/view/201786/206/>

Hard copies of the consultation document and supporting information are available to be viewed at: **Shepway District Council Civic Centre, Castle Hill Avenue, Folkestone CT20 2QY; and at the District's libraries.**

Comments and representations on the draft Charging Schedule, supporting documents including the draft Regulation 123 list, and related matters should be made in writing, and sent by email or by post to the following addresses:

Shepway District Council
Civic Centre, Castle Hill Avenue, Folkestone, Kent, CT20 2QY
Telephone: (Switchboard) 01303 853000
E-mail: sdcs@shepway.gov.uk
DX 4912 Folkestone

www.shepway.gov.uk

By email:

Planning.policy@shepway.gov.uk

(with 'CIL Consultation' in the subject line)

By post:

Draft CIL Charging Schedule Consultation

Shepway District Council

Planning and Building Control

Planning Policy

Civic Centre, Castle Hill Avenue

Folkestone, Kent

CT20 2QY

Any person making representations on the draft Charging Schedule and / or associated documents, may request the right to be heard at the examination in public that follows this consultation. Persons making representations can also request to be notified of progress on the submission of the Charging Schedule for examination in public; the publication of the examination recommendations; and the adoption of the Charging Schedule by the Council.

Should you have any queries on the consultation, please use the contact details given at the top of this letter.

The Council greatly appreciates your consideration of the draft Charging Schedule and supporting documents, and welcomes your views.

Yours faithfully

Chris Lewis

Head of Planning

Appendix 5: CIL Webpage

<http://www.shepway.gov.uk/content/view/full/201786/2061>

Community Infrastructure Levy

CONSULTATION ON: DRAFT COMMUNITY INFRASTRUCTURE LEVY (CIL) CHARGING SCHEDULE Monday 9th February, to 5pm Monday 23rd March 2015

Community Infrastructure Levy

The purpose of the Community Infrastructure Levy (CIL) is to raise funds to help pay for the infrastructure that's required to support development.

The scope of CIL is governed by CIL regulations initially introduced in 2010 and further amended in 2011, 2012, 2013 and 2014. All Local Authorities wishing to introduce CIL have to pay due regard to these regulations.

On adoption by a Local Authority, CIL is payable by liable developments as defined by a CIL Charging Schedule. CIL will also replace most section 106 contributions for wider infrastructure needs, apart from those related to site specific mitigation measures and affordable housing.

The Planning Act (2008), which introduced CIL, gives a wide definition of the types of infrastructure that it can help to fund, including – transport, education, flood defences, community facilities, parks, green spaces and play spaces.

Further information on CIL is available from the Government's Department of Communities and Local Government, via their website as follows:

[Communities and Local Government website](#)
[Consultation on Draft CIL Charging Schedule](#)

Shepway District Council approved a Draft CIL Charging Schedule for consultation, at its meeting of 21st January 2015. The consultation runs for 6 weeks from the 9th February to 23rd March 2015.

Members of the public, local communities, Parish and Town Councils, developers, property sector and other businesses, and interested organisations, are invited to review the Draft CIL Charging Schedule and supporting information, including a draft Regulation 123 list. Comments and representations should be submitted in writing by 5pm Monday 23rd March.

As per the process set out by the CIL Regulations 2010 (as amended), this CIL consultation follows on from the summer 2014 Preliminary Draft Charging Schedule (PDCS) consultation. Comments and representations received in response to the first consultation are detailed in the CIL PDCS Consultation Statement document (see document download link below), which also indicates how they have informed the Draft CIL Charging Schedule.

Consultation Documents and Supporting Information

The consultation documents and supporting information can be downloaded via the following PDFs:

Draft CIL Charging Schedule  [Shepway DC Draft CIL CS \(Jan15\)](#)


Draft CIL Charging Schedule Maps:

- Appendix 1: CIL residential zones  [Shepway draft CIL CS - appendix 1](#)
- Appendix 2: CIL residential zones - Folkestone  [Shepway draft CIL CS - appendix 2](#)
- Appendix 3: Folkestone Town Centre retail & commercial area  [Shepway draft CIL CS - appendix 3](#)
- Appendix 4: Strategic development sites:
-  [Appendix 4 - CSLP policy ss6](#)
-  [Appendix 4 - CSLP policy ss7](#)
-  [Appendix 4 - CSLP policy csd8](#)
-  [Appendix 4 - CSLP policy csd9](#)



Shepway draft Regulation 123 list  [Shepway DC Draft R123 List \(Jan2015\)](#)

Shepway draft CIL Instalments policy  [Shepway DC Draft CIL Install Policy \(Jan15\)](#)

Shepway draft CIL payments in kind policy  [Shepway DC Draft CIL Pay in Kind Policy \(Jan15\)](#)

CIL Regulation 16 Statement of Representations Procedure  [Shepway DC CIL R16 Statement](#)

CIL PDCS Consultation Statement  [Shepway DC CIL PDCS cons statement \(Dec14\)](#)

CIL & Whole Plan Economic Viability Study  [Shepway CIL&WPVS \(July14\)](#)  [Shepway CIL&WPVS appends \(July14\)](#)

CIL Viability Study - Supplementary Report  [Shepway DC - CIL. Supp Viability report \(Jan15\)](#)

Draft Infrastructure Needs Assessment & Delivery Plan  [Shepway DC draft IDP \(Jan15\)](#)

Hard copies of the above documents can also be viewed at the following locations during normal opening hours:

- Shepway District Council, Civic Centre, Castle Hill Avenue, Folkestone CT20 2Q
- Cheriton Library; Folkestone Library; Hythe Library; Lydd Library; Lyminge Library; New Romney Library; Sandgate Library; Wood Avenue Library

How to Send Comments and Representations on the Draft CIL Charging Schedule

Please submit your comments and representations on the Draft CIL Charging Schedule in writing by one of the following means:

- By email to - planning.policy@shepway.gov.uk (with 'CIL consultation' in the subject bar)
- By post to - Draft CIL Charging Schedule Consultation, Shepway District Council, Planning Policy, Civic Centre, Castle Hill Avenue, Folkestone CT20 2QY

Please note the consultation runs from Monday 9th February, to 5pm Monday 23rd March 2015. Responses received after the closing date may not be considered.

Please also note that all representations made in response to the Draft CIL Charging Schedule must be submitted to the Examiner, together with a summary of the main issues raised, as part of the Examination in Public process, which follows this consultation. Therefore comments cannot be treated as confidential and will be made available as public documents (personal addresses will however, not be made publically available).

Requesting Further Notifications

In accordance with the CIL Regulations, any organisations or person making representations may request that they be notified at a specified address, of any of the following:

- That the Draft CIL Charging Schedule has been submitted to the examiner in accordance with section 212 of the Planning Act 2008;
- The publication of the recommendations of the examiner and the reasons for those recommendations; and
- The approval of the CIL Charging Schedule by the Council.

If you would like further notification of the above matters, please state this in your written response to the Draft CIL Charging Schedule.

Next Steps, CIL Timescales and Further Information

The Draft CIL Charging Schedule, supporting information and all representations received, will be submitted to the Planning Inspectorate for independent examination. Organisations and individuals submitting representations will also have the right to be heard at the Examination in Public (EIP), which follows this consultation. Although no exact time can be given at this stage, the Council will aim for a late spring / early summer 2015 date for the EIP.

At the earliest, the Council may therefore be in a position to consider the adoption of a CIL Charging Schedule during the latter part of summer 2015.

For further information, please contact the Council's Planning Policy Team on tel.no: 01303 853364; or by email at: planning.policy@shepway.gov.uk

Created : Thu,12 Jun 2014

Updated : Fri,05 Feb 2015

Appendix 6: Press Notice

PLANNING ACT 2008 (AS AMENDED)
COMMUNITY INFRASTRUCTURE LEVY REGULATIONS 2010 (AS AMENDED)
NOTICE OF REGULATION 16 PUBLIC CONSULTATION ON THE
SHEPWAY DRAFT COMMUNITY INFRASTRUCTURE LEVY (CIL)
CHARGING SCHEDULE AND STATEMENT OF REPRESENTATION PROCEDURE

Shepway District Council hereby gives notice that it is preparing a Community Infrastructure Levy (CIL) Charging Schedule for the whole of the district. As part of the process, a draft CIL Charging Schedule, which sets out the proposed CIL rates applicable to new developments, will be issued for consultation. Representations are therefore invited on the draft Schedule.

The consultation commences on Monday 9th February and ends at 5pm on Monday 23rd March 2014. Responses received after this date will not be considered. Representations should be made in writing, and should be sent by email or post to the following addresses:

- Email to: planning.policy@shepway.gov.uk (with 'CIL consultation' in the subject bar)
- By post to - Draft CIL Charging Schedule Consultation, Shepway District Council, Planning & Building Control, Planning Policy, Civic Centre, Castle Hill Avenue, Folkestone CT20 2QY

Any person making representations on the draft Schedule and / or associated documents, may request the right to be heard at the examination in public that follows this consultation. Persons making representations can also request to be notified of progress on the submission of the Charging Schedule for examination in public; the publication of the examination recommendations; and the adoption of the Charging Schedule by the Council.

The draft CIL Charging Schedule and supporting documents are available for viewing online at - <http://www.shepway.gov.uk/content/view/201786/206/>; or as hard copy documents at the following locations during normal opening times:

Location	Address
Shepway District Council	Civic Centre, Castle Hill Avenue, Folkestone CT20 2QY
Cheriton Library	64 Cheriton High Street, Folkestone CT19 4HB
Folkestone Library	2 Grace Hill, Folkestone CT20 1HD
Hythe Library	1 Stade Street, Hythe CT21 6BQ
Lydd Library	Skinner Road, Lydd, Romney Marsh, TN29 9HN
Lyminge Library	Station Road, Lyminge, Folkestone CT18 8HS
New Romney Library	82 High Street, New Romney TN28 8AU
Sandgate Library	Sandgate High Street, Sandgate, CT20 3RR
Wood Avenue Library	Wood Avenue, Folkestone CT19 6HS

For further information please see the District Council's website, or contact the Planning Policy Team on Telephone: 01303 853364; or by email - planning.policy@shepway.gov.uk



Appendix 7: CIL Consultation Contact List

Action with Communities in Rural Kent
A Scott Ltd
Acrise Parish Council
Affinity Water Ltd
Airport Operators Association
Akehurst Homes
Alliance Environment & Planning Ltd
Anthony Hicks & Co
Applied Renewable Energy Ltd
Arena Racing Company Ltd
Asda Stores
Ashford Borough Council
Association of Local Councils
Barton Willmore
Better Places
Big Jigs Toys
Bishop Consultancy Limited
Blackstone Homes
Bluewater Caravan Park
BNP Paribas Real Estate
Bouveie Place
Bovis Homes
Brenzett Parish Council
Brian Uden Ltd
British Asian Association
British Energy Plc
British Geological Survey
Brookland Parish Council
Browns, Hawkinge
BT Open Reach
Bucket and Spade
Burmarsh parish Council
Buzzlines
C R Child & Partners, Hythe
Canterbury City Council
Camland Developments
Canterbury Christ Church University

CDSP Ltd
CGMS
Champion Ltd
Champion & Co, Hythe
Charlier Construction
Cheney Thorpe & Morrison
Church and Dwight
Clagues
Clive Tidmarsh, Design Architecture & Planning
Cognitive Media
Colin Bett Ltd
Copy Link/FITA
Country Land and Business Association
Courtley Consultants Ltd
CPRE - Protect Kent
Creative Foundation
Crown Estate
CSDP
Cycle Shepway
CYMA Architects
Damian Collins MP
Defence Infrastructure & Land Management Services
Deloitte
Department of Transport
DHA Planning
Discover Folkestone, Hythe and Romney Marsh
Dover District Council
Drivers Jonas Deloitte
DTZ Development Consulting
Dymchurch Parish Council
East Kent Housing
East Sussex County Council
EDF Energy
Elham Parich Council
Elmsted Parish Council
English Heritage
Environment Agency
Eurotunnel
Federation of Small Businesses
Fell Reynolds

FHDHCA
Fields in Trust
Folkestone Harbour Company
Folkestone Town Centre Management
Folkestone Town Council
Folkestone, Hythe and District Association of Surveyors, Valuers, Auctioneers and Estate
Geoconservation Kent
Geoff Love Ltd
George Denny Ltd
Gladman Group
Godden Allen Lawn
GOPAK
Gregory Gray Associates
Guy Hollaway Architects
GVA
Hallam Land Management Limited
Hawkinge Town Council
Highways Agency
Hobbs Parker
Holiday Extras
Home Builders Federation
Homes & Communities Agency
Humberts Leisure
Hume Planning Consultancy
HV Wooding
Hythe Care Homes
Hythe Chamber of Commerce & Tourism
Hythe Town Council
Iceni Projects
Ivychurch Parish Council
Jacksons Fencing
Jenner Homes
John Floyd & Co
John Macmillian Associates
John Verkaik Ltd
Jones Lang LaSalle Limited
KCC Shepway members (all)
Keith Barker Ltd
Kent Channel Chamber of Commerce
Kent County Council

Kent Developers Group
Kent Downs AONB
Kent Fire & Rescue Service
Kent Nature Partnership
Kent Planning Ltd
Kent Police
Kent Wildlife Trust
Kentish Homes Ltd
Kingston Homes
Lcl surveyors
Lee Evans & Co
Leisure Republic
Lydd Airport
Lydd Town Council
Lyminge Parish Council
Lympne Parish Council
Magnox
Maidstone Studios
Marine Management Organisation
Marsh Forward Development Trust
McCarthy & Stone
Milbrooke Printers
Moat Housing Group
Monks Horton Parish Council
Mono Consultants Ltd
Morrisons Supermarkets
Mouchel Estates
Murston Construction Ltd
Natural England
Network Rail
New Romney Town Council
Newchurch Parish Council
Newington Parish Council
NHS Property Services
Nick Highton Ltd
Nigel Seymour Ltd
Old Romney Parish Council
Open Spaces Society
Orbit Housing Association
Paddlesworth Parish Council

Paul Noad Associates
Paul Roberts Associates
Pentland Homes
Persommon Homes
Peter Spiller Ltd
Petham
Phides Estates
Port Lympne Wild Animal Park
Postling Parish Council
PRP Architects
Quinn Estates
Realia
Reeds Rains, Folkestone
Richard Daniels & Co
Roger Joyce Associates
Romney Marsh Potato Company
Romney Resource Centre
Romney, Hythe & Dymchurch Railway
Rother District Council
RPC Land and New Homes
RSPB
SAGA Group Ltd
Sainsburys
Saltwood Parish Council
Sanctuary Housing Association
Sandgate Parish Council
Sandgate Society
Savills
Scott Wilson
Screen South
Sellindge Parish Council
Servo Connectors
Shepway District Council members (all)
Shepway Environment and Community Network
Sleeping Giant Media
Smith Woolley & Perry
Smiths Gore, Maidstone
Snargate Parish Council
South East LEP
Southeastern Railways

	Southern Water
	Sport England
	St Mary in the Marsh Parish Council
	Stagecoach
	Stanford Parish Council
	Stelling Minnis Parish Council
	Stowting Parish Council
	Strutt & Parker, Canterbury
	Stuart Ingleston Ltd
	Sustrans
	Swingfield Parish Council
	Taskmasters UK
	Taylor Wimpey
	Terry Dowding Ltd
	Tescos
	TG Designer Homes
	Thanet District Council
	The London Planning Practice
	The Planning Inspectorate
	The Woodland Trust
	The Workshop
	Tim Campbell Associates
	Tim Parrett Ltd
	Tom Quaye Ltd
	Town & Country Housing Association
	Triflex
	Waitrose Ltd
	Walker Construction
	Walker Construction
	Ward Homes
	Wealden Homes
	West Design Products
	Wheelchair Users Group
	YOUR MOVE, Hythe

Appendix 8: Representations

CIL DCS 001



Marine
Management
Organisation

Lancaster House
Hampshire Court
Newcastle upon Tyne
NE4 7YH

T +44 (0)300 123 1032
F +44 (0)191 378 2889
www.gov.uk/mmo

By email:
planning.policy@shepway.gov.uk

Our reference: 977

12 February 2015

Dear Sir/Madam,

Re: Shepway District Council Community Infrastructure Daft Charging Schedule

Thank you for inviting the Marine Management Organisation (MMO) to comment on the above consultation. I can confirm that the MMO has no comments to submit in relation to this consultation.

If you have any questions or need any further information please just let me know. More information on the role of the MMO can be found on our website www.gov.uk/mmo

Yours sincerely

CIL DCS 002

From:
Sent: 18 February 2015 11:42
To: Planning Policy
Subject: Community Infrastructure Levy - Public Consultation on the Revised Submission Charging Schedule - February 2015

Dear Sirs

Thank you for your inviting the CLA to comment on the preliminary draft charging schedule for the Shepway District Council community infrastructure levy.

The Country Land and Business Association (CLA) is a national organisation embracing the owners and occupiers of all types of rural land and business in England and Wales. It represents the interests of the owners of some 35,000 land holdings and rural businesses.

Shepway District Council is part of the area covered by the South East Region of the CLA. Kent CLA members include rural businesses and owners of land of every size and type of holding, from estate owners to the smallest land holding of less than a hectare. The membership encompasses all traditional agricultural and forestry enterprises from the most sophisticated dairy and arable enterprises, pigs and poultry and more extensive livestock systems. The majority of our landowning membership is made up of family farm owner-occupiers many of whom have diversified into other business activities in response to the downturn in farm incomes.

The CLA also represents the interests of owners of other types of rural businesses including: forestry enterprises, mineral and aggregate operators and owners, hotels, golf courses, tourist enterprises, equestrian establishments, a myriad of small rural enterprises and also institutional land owners such as water companies, pension funds, and development companies. Our members have businesses in rural Kent and most live in its rural communities and villages.

The CLA represents the wide diversity of the rural community. We are glad to have the opportunity to comment on the Draft Charging Schedule for CIL.

The CLA comments are as follows:

1. Rural Non-Residential Charges

The CLA supports Shepway District Council's decision to impose a nil-rate CIL rating on non-residential and smaller scale commercial development, which we would take to include agricultural or forestry, employment and commercial development, as these are important areas for rural landowners and farmers to diversify into in order to support their farming and forestry enterprise. In addition, farmers and landowners are often forced to upgrade their buildings and

infrastructure due to legislation with no commercial gain to the enterprise. If a CIL is imposed on these types of enterprise it would have had a major impact on the farming and rural business community, who would have been unable to afford the increased cost of the development due to the CIL.

CIL charges would make these developments unviable; regeneration would be stifled and sustainability of the rural areas in Shepway District Council would be adversely affected, by making them less economically viable; particularly in the current climate where rural workshops and offices are difficult to let especially where broadband connection is poor.

2. Rural Residential Charges

The CLA is concerned about the significant increase in levy in Zone D as compared to Zone A and B, but recognises that the latter are a priority for the attraction of development. Notwithstanding this difference, the CLA welcomes the lower charges to be imposed in these rural areas where development can be financially marginally and is often stifled by planning restriction.

It is our view that higher charges will act as a significant disincentive for development in rural areas. In addition, we are concerned to see no relief on affordable, key worker or tied dwellings.

3. Infrastructure Spending Proposals

As the proposed infrastructure spending has a strong urban bias, particularly in Folkestone, it is our view that the market housing in rural areas is being used to subsidise the increased infrastructure required for development of Shepway District by charging areas outside of urban areas, such as zone D.

The CLA feels strongly that all developments being requested to contribute to infrastructure should have the opportunity to negotiate the level of payment depending on what a community/area needs.

4. Payment Dates on CIL amounts

The CLA is concerned about the due date for CIL payments being the commencement of developments. For rural development in particular, development projects are often marginal and cashflow issues can stifle development. The CLA's view is that the payment due date should be tied to the completion and the project or occupation of the relevant buildings to reflect the financing issues faced by many rural developers, especially of smaller scale.

5. Payment in Kind

The provision for payment in kind is welcomed by the CLA. Whilst it is recognised that reaching agreement on such works might be complicated, it is seen as a progressive step and recognises the positive input that (particularly), rural businesses can have on the communities.

6. Development for rental market

The CLA would like to know what will happen where landowners decide to build houses to keep within their long term ownership (build to rent), to diversify their income through a residential portfolio of properties. There are no capital receipts from which to fund a CIL charge, rather the CIL charge would have to be met from existing revenues which the land manager is trying to improve by diversifying to obtain an alternative rental income stream. In this case we believe the Council should be more flexible in their approach for the payment of CIL for example not charging the CIL if a legal agreement is given that the new property would remain available for private rental for a period of at least 5 years.

7. Houses for Essential Workers

The CLA has concerns that there is no allowance for housing needed for rural businesses such as agricultural, forestry and other essential rural workers. The CLA would like clarification that these dwellings will be treated the same as affordable housing, **with a nil rate set for CIL**. Our view is that the CIL should not apply to these dwellings which will have been justified as a requirement for the business.

Yours sincerely

David Hill

David Hill
Rural Surveyor



The CLA is the membership organisation for owners of land, property and businesses in rural England and Wales. For information on our work and how to join online, visit www.cla.org.uk

The Advisory Services are made available to members on the basis that a member's rights to compensation and the liability (if any) of CLA and its officers and/or its staff advisers, are restricted in the following ways. In the event of any advice given by any CLA staff adviser being given negligently or otherwise being incorrect no liability whatsoever is accepted by CLA or its officers or by its staff advisers concerned (a) towards any person who is not the current CLA member to whom the advice was directly given, (b) to any person in respect of consequential loss or loss of profits, or (c) to any person for any sum exceeding £50,000 in respect of any one enquiry (whether made or responded to orally or in writing and whether dealt with at one time or over a period of time).

Any person making use of the Advisory Services accepts such restrictions. If damages restricted to the above financial limits would be inadequate in the circumstances members should consider referring to appropriate professional advisers in private practice before taking any particular course of action potentially or actually involving any substantial amounts of money.

No responsibility for loss occasioned to any person acting or refraining from action in reliance on or as a result of the material included in or omitted from this message can be or is accepted by the author(s), the CLA or its officers or trustees or employees or any other persons. © Country Land and Business Association Limited. All rights reserved. No part of this publication may be reproduced or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature without prior written permission of the copyright holder except as expressly permitted by law.

Country Land & Business Association Limited. Registered in England and Wales: 6131587. Registered Office: 16 Belgrave Square, London, SW1X 8PQ.

CIL DCS 003

From: Kent Wildlife Trust
Sent: 18 March 2015 14:43
To: Planning Policy
Subject: Draft CIL Charging Schedule

Dear Mr Lewis,

Kent Wildlife Trust thanks you for the opportunity to comment upon the Draft CIL Charging Schedule. We have no further comments to make.

Kind regards
Vanessa Evans

CIL DCS 004

From: Hakninge Town Council
Sent: 09 March 2015 16:09
To: Planning Policy
Subject: CIL Consultation

Good afternoon

Please see response from Hawkinge Town Council in respect of the CIL consultation:

Consultation Response CIL Charging Schedule - March 2015

The Council notes that Towns and Parishes will receive their own portion of CIL income to spend on the infrastructure they want and that in areas with no Neighbourhood plan this will be 15% and 25% if there is a neighbourhood plan and that the list of CIL will be published annually by the District Council.

Kind regards

Lynne

Lynne Martin
Administrative Officer

Town Council Offices
Hawkinge Community Centre
Heron Forstal Avenue
Hawkinge CT18 7FP
Tel 01303 893928

The information in this e-mail is confidential and may be legally privileged. It is intended solely for the addressee. If you are not the intended recipient please notify the sender immediately and delete this e-mail including any attachments. Any review, dissemination distribution, copying or other use of this communication or the information in it is strictly prohibited.

CIL DCS 005

creating a better place



Shepway District Council
Civic Centre Castle Hill Avenue
Folkestone
Kent
CT20 2QY

Our ref: KT/2006/000338/OR-08/PO1-L01
Your ref:
Date: 19 March 2015

Dear Sir/Madam

**Shepway District Council Community Infrastructure Levy (CIL)
Public Consultation: Draft CIL Charging Schedule**

Thank you for consulting us on your draft CIL Charging Schedule. We have no comments to make on your draft schedule.

We note that you have produced your draft Regulation 123 List (draft: January 2015). We are pleased that flood defences and other environmental infrastructure appear on this list.

If you have any queries, please do not hesitate to contact me.

Yours faithfully

**Ms Jennifer Wilson
Planning Specialist**

Direct dial: 01732223272
Direct e-mail kslplanning@environment-agency.gov.uk

Environment Agency
Orchard House Endeavour Park, London Road, Addington, West Malling, Kent, ME19 5SH
Customer services line: 08708 506 506
Email: enquiries@environment-agency.gov.uk
www.environment-agency.gov.uk



CIL DCS 006



Magdalen House
148 Tooley Street
London SE1 2TU
T: 020 7357 8000
F: 020 7357 9865

www.planningpotential.co.uk
info@planningpotential.co.uk

CIL DCS Consultation
Shepway District Council
Planning and Building Control
Planning Policy
Civic Centre, Castle Hill Avenue
Folkestone, Kent
CT20 2QY

19th March 2015

Our Ref: RS/14/2105

Dear Sir / Madam,

**COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE CONSULTATION –
RESPONSE BY ALDI STORES LTD**

We write on behalf of our client, ALDI Stores Ltd, in respect of the Community Infrastructure Levy Draft Charging Schedule (DCS), which is open for consultation until 23rd March 2015. We previously provided comments in respect of the Preliminary Draft Charging Schedule (PDCS) in late 2014, and now provide further comments on the DCS, in light of the Supplementary Viability Report (January 2015) by DSP.

We acknowledge the changes made to the schedule in respect of retail charge rates, in particular the exemption of new retail floorspace within Folkestone Town Centre, which we fully support. We are also supportive of the undertaking further appraisals based on different scales of retail floorspace, which we had requested be undertaken.

Without repeating our previous comments on the charging schedule, it is important to nonetheless provide further comment in light of the new evidence and rationale provided.

Firstly, in promoting the introduction of a 2,500 sqm floorspace threshold to differentiate between different formats of retail development, we wish to clarify that the threshold level proposed is not an arbitrary figure. The suggested level of 2,500 sqm represents the NPPF-defined threshold for when the impacts of new development may, on balance, become significant. This figure is reflective of larger supermarket formats that may be considered to have the greatest potential retail 'impact'.

The figure therefore has greater relevance than other figures that may, more reasonably, be considered arbitrary. It remains our view that further differentiation between retail formats is essential. Without the charging schedule becoming 'overly engineered' to particular trading formats, the introduction of a second floorspace threshold would provide a practical solution to differentiate between Limited Assortment Discounters and larger supermarket formats.

We strongly remain of the view that introducing a charging schedule that is based on a retail format and trading densities that are materially different to an LAD - but which they would still be liable for - unfairly prejudices against such formats and creates a commercial advantage for larger supermarket operators.

We acknowledge the point made at paragraph 2.12 that the viability of different development schemes is driven by a range of site specific characteristics, but it is the case that the prospective CIL charge rate is a key factor when assessing viability, and a single blanket charge rate still has

Directors:
Helen Cuthbert BSc(Hons) MA MRTPI
Stuart Slatter B-Tech TRP(SA) MRTPI
Claire Temple BA (Hons) Dip TP MRTPI
Associate Director:
Alastair Close BSc (Hons) MRTPI

Consultant:
Caroline Dawson BA (Hons) DMS MRTPI
Associates:
Rob Scadding BA (Hons) PG Dip MRTPI
Katie Truvelly BA (Hons) MA TP MRTPI
Heather Vickers BA (Hons) MSc MRTPI

Planning Potential is a Limited Company
Registered in England No: 3419507
Registered Office: 35 Barbours Lane, London, N3 1XW

the potential to have disproportionate impacts, if a single charge rate is proposed for all retail formats above 280 sqm, then the rate should be lowered to reduce potential impacts on viability.

The Supplementary Viability Report suggests there is a risk of 'over-complicating' the Charging Schedule, but we strongly believe that this should not be to the detriment of ensuring fairness within the proposed rates. In contrast, there is also significant danger of over-simplifying the matter, to the detriment of investment opportunities within the District. We again draw reference to paragraph 37 the CIL Guidance (April 2013), which states "*charging schedules should not impact disproportionately on particular sectors or specialist forms of development*".

To reiterate, whilst we fully support some of the changes made following consultation on the PDCS, we remain of the view that more is required to ensure that the full spectrum of potential types of development in the District are fairly and accurately represented in the adopted charging schedule. ALDI have a specific requirement for a second foodstore in the District and are working to identify suitable development opportunities, however the imposition of a charge rate that would impact more greatly on ALDI and other LADs than on larger supermarkets typical of the 'Big 4' operators may ultimately impact on the appetite to deliver beneficial investment.

Yours sincerely

CIL DCS 007

20 March 2015

CIL Draft Charging Schedule Consultation
Shepway District Council
Planning and Building Control
Planning Policy
Civic Centre, Castle Hill Avenue
Folkestone, Kent
CT20 2QY

Matthew Williams
E: mwilliams@savills.com
DL: +44 (0) 121 634 8432
F: +44 (0)

Innovation Court
121 Edmund Street
Birmingham B3 2HJ
T: +44 (0) 121 633 3733
savills.com

Dear Sir / Madam

**Draft Charging Schedule Consultation
Representation on behalf of Ellandi LLP**

We are instructed by Ellandi LLP (herein referred to as Ellandi) to submit our observations on the Shepway Community Infrastructure Levy Draft Charging Schedule (DCS), which has been published for consultation until 23 March 2015.

Savills previously submitted detailed representations to the Preliminary Draft Charging Schedule (PDCS) in October 2014, to which the Council has responded in its Summary of Responses and Representations published with the Draft Charging Schedule. Ellandi's response is identified under SDC reference CIL PDCS-005.

Proposed Retail Rates – Folkestone Town Centre

Following our representations to the Shepway Community Infrastructure Levy Preliminary Draft Charging Schedule (PDCS) in October 2014, we welcome the amendments that have been made to the Draft Charging Schedule in relation to the proposed rates for retail development. We can confirm that as written these address previous concerns raised in relation to the definition (location, type and scale) of chargeable retail development within Shepway. Accordingly, we fully support the identification of a separate charging zone for retail development within Folkestone Town Centre and the setting of a rate of £0 per sqm for all convenience and comparison retail and other development akin to retail within this area.

Proposed Residential Rates – Folkestone Town Centre

Ellandi recognise the importance of residential development in terms of its contribution to the vitality and viability of town centres. As such, and having regard to the available evidence which would suggest that proposals for residential development in the Town Centre could be rendered unviable through the introduction of CIL, we welcome the fact that the Local Authority has maintained the identification of separate charging zones for residential development within the Draft Charging Schedule and support a nil rate for such development within Zone A which includes Folkestone Town Centre.

Draft Regulation 123 List

We welcome the publication of a Draft Regulation 123 List alongside the CIL Draft Charging Schedule. However, we do have initial concerns regarding the level of detail it includes. At present the types of infrastructure listed as being considered for support through CIL receipts is wide-ranging and refers to generic infrastructure types such as, business infrastructure, public realm enhancements and community

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

Savills (UK) Limited. Chartered Surveyors. Regulated by RICS. A subsidiary of Savills plc. Registered in England No. 2809136.
Registered office: 33 Margaret Street, London, W1G 0JD





safety, as opposed to specific projects which are necessary to enable the delivery of Plan-led development. Accordingly, it is not considered that the Regulation 123 list provides sufficient definition about which infrastructure projects will be provided through CIL and which will rely on Section 106 contributions.

We would welcome further clarity on what is to be funded through the Draft 123 List and S106 contributions and look forward to this being addressed by the Council in advance of the Charging Schedule being submitted for Examination.

We trust these comments are helpful and we wish the right to be notified when:

- the DCS is submitted to the Examiner in accordance with Section 212 of the PA 2008;
- the recommendations of the Examiner and the reasons for these recommendations are published; and
- the Charging Schedule is approved by the charging authority.

Yours faithfully

CIL DCS 008



20th March 2015

Draft CIL Charging Schedule Consultation
Shepway District Council
Planning and Building Control
Planning Policy
Civic Centre
Castle Hill Avenue
Folkestone
Kent CT20 2QY

10 Stratton Street
London W1J 8JR
T: +44 (0)8449 02 03 04
F: +44 (0)20 7911 2560

gva.co.uk

Direct Dial: 020 7911 2153
Email lakis.pavlou@gva.co.uk

Dear Sirs

DRAFT CIL CHARGING SCHEDULE

We act on behalf of Taylor Wimpey, a major UK housebuilder who are extremely active within the District and set out below our comments on the various aspects of the Draft CIL Charging Schedule.

Draft Instalment Policy

Whilst we appreciate that the draft instalment policy will not form part of the draft CIL Charging Schedule examination in public, we fully support the principle of the Policy as it will increase the viability of future development schemes.

We support the principle of full payment within 60 days of the commencement date, where the chargeable amount is less than £50,000; For sums more than £50,000 but less than £100,000, whilst we support the principle of two instalments being allowed with the first instalment representing 50% of the chargeable amount being required within 60 days of the commencement date, we are of the opinion that the second 50% of the chargeable amount should be required within 180 days, not 120 days.

Where the chargeable amount is over £100,000, we strongly urge a phased approach is adopted using the principle of the three instalment policy. We suggest these should be altered as follows:

- For each phase of development the first instalment representing 25% of the chargeable amount to be required within 60 days of the commencement date;
- For each phase of development the second instalment representing 25% of the chargeable amount should be required within 180 days of the commencement date; and
- For each phase of development the third instalment representing 50% of the chargeable amount should be required within 360 days of the commencement date.

Draft Payments in Kind Policy

Whilst we appreciate that the draft Payments in Kind Policy will not form part of the draft CIL Charging Schedule examination in public, we fully support the principle of the Policy.

In terms of the interest in the land or properties to be transferred, we would request that this could either be on the basis of a long leasehold interest or freehold interest. We would also advise that this should include the provision of play-space, public open space and commuted sums for maintenance of open space areas.

Draft Infrastructure Assessment & Delivery Plan

In Appendix 2, Critical Infrastructure, Taylor Wimpey have agreed to provide the land required for the new primary school on Strategic Site SS7 and make a capital contribution of £3,143,222 towards the construction of the new primary school.

On Strategic Site CSD9, whilst the contribution that Taylor Wimpey have agreed to make is correct, they have also had to acquire third party land in order to be able to transfer the land to KCC. These Costs should therefore allow for the entire costs of providing the land and building the schools.

Within the Necessary Infrastructure – transport costs, all those that relate to Shorncliffe Garrison have recently been updated and therefore the costs stated should be amended.

Exceptional Circumstance Relief Policy

We note that the Council are still not promoting an Exceptional Circumstance Relief Policy. We believe this is a mistake and should be re-considered as there may be sites within the District that could only come forward on the basis of such a Relief Policy. As the CIL regulations allow the Council to introduce such a policy at any stage, we would expect the Council to keep this under review as part of their monitoring process and look to bring in such a policy if required.

Discretionary Relief from CIL

We support the Council's policy on Discretionary Relief.

Monitoring and Review

We support the Council's intentions on the monitoring and review and would expect the Council to act immediately in the event of a market / economic downturn.

Proposed CIL Rates and Zones

Table 1

We object to the proposed CIL charging rates for Zones B, C & D for residential development as we believe these have been set at too high a rate and will therefore impact on the viability and deliverability of residential schemes. Schemes will not be able to afford to provide 30% affordable housing and pay the suggested CIL charging rates.

We have reviewed the CIL and Whole Plan Economic Viability Assessment report prepared by Dixon Seate in July 2014 and their Supplementary Viability Report dated January 2015.

Development Scenarios

In terms of the residential development scenario's, we have no issues with the residential scheme types assessed, but the range of apartment unit sizes assumed is smaller than the market is currently delivering and not comparable to the market values assumed in Appendix 1 of the July 14 report. Those values in our experience are only achieved for larger 1 and 2 bedroom apartment units. Using these values with smaller units has the effect of underestimating the construction costs in the various appraisals.

Residential Sales Values

In terms of the residential sales values being achieved, there are very few examples of new build properties achieving the higher end of the range of VL9 –VL12 of £3,350 to £4,200 per sqm. These are normally only secured on very selective small plots in small exclusive areas and should not be used to correlate across large areas of the District or apply to larger schemes.

From looking at all the comparable sales information available within the District, we disagree with the contents of Figure 6: Indicative Settlement / Locality Relationship to Value Level. Areas have been allocated to value zone which are simply not achievable or appropriate, based on the evidence and housing delivered over the recent past.

We are of the opinion that:

New Romney & Littlestone should be within VL1, VL2 & VL3 only.

Folkestone 2, Dymchurch, Burmarsh & Hawkinge should also be included within VL1.

Rural 1 & Folkestone 3 should be within VL2, VL3 & VL4 only.

Rural 3 & Hythe should be within VL4, VL5 and VL6.

Rural 4 & Folkestone 4 should be within VL5 & VL6.

Rural 5 should be within VL6, VL7 and VL8.

The value ranges suggested above are in line with the current market and should be used to inform the analysis for the CIL rates. Using VL9-VL12 over-estimates the sales values within the appraisals and will lead to the wrong conclusions being made.

Construction Costs

In terms of the level of construction costs used, we agree that these should be derived from the RICS Building Cost Information Service (BCIS) for Shepway District. However, over the past 9 months, the industry has seen a large increase in construction costs as result of material and labour shortages.

We compare below the costs used by Dixon Searle to the BCIS figures for November 2014

SCHEME	BCIS JULY 14	BCIS NOV 14	INCREASE
Houses - mix dev	£916 sqm	£1,039 sqm	£123 sqm (13%)
Houses – 3 units or less)	£1,302 sqm	£1,475 sqm	£173 sqm (13%)
Flats – generally	£1,056 sqm	£1,190 sqm	£134 sqm (12%)
Flats – 6+ storey	£1,323 sqm	£1,520 sqm	£197 sqm (15%)

As can be seen, the actual increase in construction costs from July to November 2014 is the same rate or higher than the highest CIL rate proposed.

You then have to factor in the allowances for externals which are typically between 15% and 20% of base build cost, plus professional fees and contingencies. The net effect of this is to seriously under-estimate the residential construction costs within the appraisals.

Land Values

We note that Dixon Searle have assessed land values between £500,000/ha and £1,200,000/ha to test against their RLVs. On PDL land, they use a land value benchmark of £750,000/ha. In our experience, the PDL is much higher and nearer the £950,000 / ha mark. Even, for greenfield land, there is no differentiation between net and gross areas, as generally there is a requirement to provide substantially more green / open space on these type of developments.

In our view it would be more appropriate to test greenfield land at £700,000/ha, PDL at £950,000/ha and leave the highest value at £1,200,000/ha.

If the appraisals were to be re-run taking into account our market led assumptions on residential sales values and land values and the latest BCIS costs, then allowing for sensitivity testing, the results would show that Residential Zone B would not be able to afford to pay a CIL charge, Residential Zone C would only be able to afford to pay a £50 sq m CIL charge and Zone D would be able to pay a £75 sqm CIL Charge.

The CIL levy should be expected to have a positive economic effect on development across a local plan area. Therefore when deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments. As the residential draft charging rate currently stands, it will have a detrimental impact on the viability and deliverability of residential schemes in the District.

Table 2

We support the principle of the Town Centre Area having a nil charge CIL rate, although we believe that this should not include Supermarkets or Retail Warehouses. We therefore suggest that these 2 uses are excluded from the Folkestone Town Centre Area as the evidence suggests they can afford to pay a CIL charge in line with the Rest of District definitions in the table.

Table 3

We are in agreement that the Key Strategic Sites identified in Table 3 are more appropriately addressed by Section 106 and should therefore have a nil CIL charge rate.

Table 4

We support the contents of Table 4 as we agree the proposed uses could not afford to pay a CIL charge.

We therefore request that consideration is given to reduce the CIL rates as we propose above in order to allow the market to continue to deliver the homes beyond the Strategic Sites needed within the District.

We reserve the right to attend the Examination in Public and be notified when:
The Draft CIL Charging Schedule has been submitted to the examiner in accordance with section 212 of the Planning Act 2008;
The publication of the recommendations of the examiner and the reasons for those recommendations &
The approval of the CIL Charging Schedule by the Council.

We look forward to hearing from you

Yours faithfully



**Kent
Police**

Protecting and serving the people of Kent

**Trevor Hall
Developer Contributions Manager**

Draft CIL Charging Schedule Consultation
Shepway District Council
Planning and Building Control
Planning Policy
Civic Centre, Castle Hill Avenue
Folkestone,
CT20 2QY
DX 4912 Folkestone

Direct Line: 01622 650151

Fax:

E-mail:

community.infrastructure.levy@kent.pnn.police.uk

Date: 23 March 2015

Ref:

Dear Sirs

**Shepway District Council Community Infrastructure Levy (CIL) Public Consultation:
Draft CIL Charging Schedule – Consultation Response**

Kent Police refers Shepway District Council to the 'CIL Preliminary Draft Charging Schedule' and 'Places and Policies Local Plan' consultation responses which contain many relevant issues to this consultation.

Having due regard to the Draft Regulation 123 List, if it is Shepway District Council's intention to include policing infrastructure under either Health & Social Care Facilities (bearing in mind the NPPF definition of 'Healthy Communities' which is: *'safe and accessible environments where crime and disorder, and the fear of crime, do not undermine quality of life or community cohesion; and, safe and accessible developments, containing clear and legible pedestrian routes, and high quality public space, which encourage the active and continual use of public areas'*) or Community Safety then Kent Police believes the Draft CIL Charging Schedule is Sound. However, if that is not Shepway District Council's intention then Kent Police objects to the Draft CIL Charging Schedule on the basis it is Not Sound for the following reasons.

A primary issue for Kent Police is to ensure that new development of the proposed scale in the County between now and 2031, which includes the Shepway District Council area, make adequate provision for the future Policing needs of the growing population of Shepway that such developments as indicated within this consultation document will directly generate.

Like many public service providers the police service primary funding is insufficient to be able to add capital infrastructures to support major new developments when and wherever they occur. Further there are no bespoke capital funding regimes for the police service (unlike schools; Health; Highways; etc.) to provide capital investment in policing infrastructure. Capital infrastructure has to be funded by borrowing. However, in a service where over 80% of the budget is staffing related, the Capital Programme can only be used to overcome pressing issues within existing infrastructure (premises upgrade/replacement) or to replace essential equipment infrastructure like vehicles, etc., when life expectancy expires.

This situation has been recognised by the Association of Chief Police Officers nationally for some time and there are public statements which explain the particular funding difficulties related to the police service.

Kent Police Headquarters Sutton Road, Maidstone, Kent ME15 9BZ.
Telephone: 101 Fax: 01622 654109 Website: www.kent.police.uk

This is available in
large print on request

- v. Uniform (where applicable – PCSOs; Public Enquiry Officers; etc.)
5. All staff 3 year non recoverable revenue costs to cover staff salaries until central funding is received.

The total contribution required for all proposed development (2015 to 2031) within the Shepway District Council administrative area is £976,462. This is broken down as follows:

1. Provision of 6m2 Custody accommodation to meet the increase in detainees = £27,459.
2. 13 additional police officers:
 - a. Start-up costs (recruitment; training; vehicles; communication equipment; uniform; etc.) = £101,145;
 - b. 3 Year Revenue salary costs (until central funding materialises) = £568,175;
3. 11 additional Police Support Employees:
 - a. Start-up costs (as above) = £36,355
 - b. 3 Year Revenue salary costs (as above) = £243,328

Planning Policy Justifications for Policing Contributions:

The National Policy position to support Kent Police exists in the NPPF:

- securing sufficient facilities and services to meet local needs is a Core Planning Principle [para 17 – *'proactively drive and support sustainable economic development to deliver the homes, business and industrial units, **infrastructure** [emphasis added] and thriving local places that the country needs'*].

Kent Police advocates without such contributions and/or alternative methodologies by Shepway District Council to show how this will be achieved in relation to policing infrastructure/services if contributions are not forthcoming then this requirement of the NPPF will not be fulfilled. With no other funding available for the police service it will not be possible to provide the additional infrastructure requirements necessary and solely attributable to the scale of development proposed within Shepway. With necessary infrastructure not being provided, by definition the developments would not be sustainable. Shepway District Council may consider the Police Precept as an alternative method of funding for the police service. If this is the case then Shepway District Council should be aware many other local authorities in the County have similar or larger development plans and to meet all the infrastructure need costs resulting from all these developments would require a significant increase in that Precept notwithstanding the income increase generated by the additional dwellings. That increase would not be affordable for the public nor permitted by the Government making such arguments unsound. This is not a funding route option for Kent Police. As such the document is Not Sound.

- environments where crime and disorder and the fear of crime do not undermine the quality of life and community cohesion [Para 58 amongst other matters, states - *Local and neighbourhood plans should develop robust and comprehensive policies that set out the quality of development that will be expected for the area. Such policies should be based on stated objectives for the future of the area and an understanding and evaluation of its defining characteristics. Planning policies and decisions should aim to ensure that developments: create safe and accessible environments where crime and disorder, and the fear of crime, do not undermine quality of life or community cohesion'*].

It is the view of Kent Police that without infrastructure funding for the police service Shepway District Council will not deliver safe and accessible environments resulting in the delivery of unsustainable developments across the District. As such the document is Not Sound.

NPPF: Para 204 Planning Obligation Tests:

Necessary to Make the Proposed Development Acceptable in Planning Terms:

The creation of safe, healthy and attractive places to live is fundamental to planning for sustainable development. The Police play a key role in helping to deliver sustainable communities and are recognised nationally as key stakeholders in providing social infrastructure needed to support development.

The Police Service is a population-based service and where there is an increase in population research has shown that there is an accompanying increase in levels of crime and disorder and for other policing services and interventions. Based on Kent County Council projections of average house occupancy in 2031 the proposed developments in Shepway will increase the overnight population of the District by 8,200 people. It is an undeniable fact, as with the services provided by other public sector organisations (Education; Health' etc.), that new and additional dwellings of the magnitude proposed within the District and the associated growth in population will place significant greater demands on policing services particularly as the majority of these dwellings will be built on 'Greenfield Sites' or 'Brownfield Sites' where there is currently no or very low demand for those services. History shows there will be a corresponding increase in demand from new residents for policing across a wide spectrum of police support and intervention services as they go about their daily lives. Kent Police calculates this increase in this demand to be c7.5% for the District. Any business projecting that level of growth either has to increase its workforce and/or increase its technical and other infrastructure bases in order to meet its customers' needs. Policing is no different and is in the same position as: Health (more medical staff/surgeries/hospital beds required); Education (additional teachers and school places required); etc. If this principle is accepted for those public service providers then, by default, it has to be accepted with regards to policing. However, policing differs from most other public service providers in as much the demand for its services is not restricted to the development area but is spread further across the District and County as development residents go about their daily business.

The total planning contribution requested for the development has been calculated on a pro rata bases thereby being proportionate to the type and size of the developments.

There is no existing funding source to support this from central or local taxation. The Police Service does not receive sufficient Central Capital funding for new growth related development. The funding allocated via Home Office grants; Council Tax precept and other specific limited grants is generally insufficient to fund requests for capital expenditure whilst, at the same time, there is a time lag associated with the Police receiving operational revenue funding.

Therefore without the receipt of proportionate contributions from new development towards addressing the greater demands on policing generated by the proposed development, staff would need to be redeployed from another area of the Division or County (thereby reducing the level of policing elsewhere). Furthermore police vehicles would have to be re-distributed from the already depleted Police Fleet.

Secondly, Officer's safety would be put at risk as they would have limited communication equipment as Kent Police would not be funded for such new equipment and policing resources would be more thinly deployed. This may also impair responses to incident reports.

Police Entitlement to CIL Contributions:

Kent Police provides an extract from a letter DCLG sent to The Association of Chief Police Officers dated 9 December 2013:

'... So Government amendments to the levy regulations have not removed a charging authority's ability to use the levy to fund policing infrastructure. Nor will the changes to the regulations which we recently consulted on. As before, local authorities should be working with their partners to identify and prioritise infrastructure needs (and most should have a local plan, which sets out these identified needs). While the Levy will make a contribution to meeting these needs it will need to be considered alongside other funding streams'.

As such, if there was any doubt, DCLG confirms the police service is a legitimate recipient of CIL contributions.

If Kent Police can be of any further assistance in this matter please contact the writer.

CIL DCS 010



Mr. S Arnett
Community Infrastructure Levy Officer
Planning Policy Team
Shepway District Council
Civic Centre
Castle Hill Avenue
Folkestone
Kent CT20 2QY

BY EMAIL ONLY

Environment, Planning & Enforcement

1st Floor, Invicta House
County Hall
Maidstone
Kent ME14 1XX

Phone: 03000 413412
Ask for: Tom Marchant
Email: tom.marchant@kent.gov.uk

23 March 2015

Dear Stephen,

Re: Shepway District Council Community Infrastructure Levy Draft Charging Schedule

Thank you for your email dated 9 February 2015 consulting Kent County Council (KCC) on the Shepway District Council (SDC) Community Infrastructure Levy (CIL) Draft Charging Schedule (DCS).

In my letter to Chris Lewis dated 13 October 2014, I set out the position of the County Council following the publication of the Preliminary Draft Charging Schedule (PDCS).

The County Council now welcomes the opportunity to comment on the following:

1. DCS
2. Draft Regulation 123 list
3. Other matters

KCC is keen to continue working with the District Council to assist in the preparation and effective implementation of the Charging Schedule.

1. DCS

The Shepway Core Strategy Local Plan was adopted in September 2013 and sets out the main elements of growth that will need to be supported by further infrastructure in the area. The Infrastructure Assessment and draft IDP was prepared in June 2014 and has been revised in January 2015. Based on 2014 prices, the District Council now estimates the cost of delivering that infrastructure at being over £114 million. Some funding is under discussion

and consideration, with a potential shortfall ranging from just under £19 million, to over £64 million in a 'worst case' scenario. This represents a significant funding gap for the CIL to help fill.

KCC reiterates its position set out in the response to the PDCS (October 2014); new development will be required to provide and / or fund the infrastructure provision necessary to mitigate its impact, and at nil cost to the County Council. This infrastructure should always be funded by development contributions, the CIL and any other funding resources. The County Council will not be able to provide any additional gap funding, additional service provision capacity or infrastructure to mitigate any shortfall in development contributions or CIL receipts arising from new development. KCC still seeks further clarification from the District Council on the ability of other funding sources to accommodate the infrastructure funding shortfall.

Retail

The County Council welcomes the clarity provided on the application of the proposed retail rates and the inclusion of a threshold (280 sq. metres) for retail developments which would be considered as 'large scale' (Table 2: Retail Developments).

Other Developments

KCC welcomes the inclusion of land use classes B, C1, C2 and D in 'Table 4: Other Developments', confirming that buildings for its community services are zero rated. However the County Council reiterates its request for confirmation that a zero charge will also be applied to eligible minerals and waste uses.

Monitoring and Review

The County Council supports the relatively short proposed lifespan of the CIL and the intention of the District Council to review its CIL three years following its adoption or earlier, if warranted by a change in market and economic conditions or delivery circumstances. If notable changes are identified, KCC may request that the District Council undertake a review in advance of the review timeframe, taking into account any new data.

KCC would expect the District Council to maintain a watching brief and regularly monitor emerging residential sales values (both new build and resale), build costs and land transaction values. This is to ensure that any emerging data does not significantly contradict the assumptions within the CIL and Whole Plan Economic Viability Assessment (EVA) and subsequently the appropriateness of the CIL charging rates; having been based on the findings of the EVA.

The County Council notes that the DCS does not feature a monitoring and review framework which would assist in ensuring that CIL rates reflect market conditions and wider influences on development viability and deliverability.

KCC suggests that the monitoring and review framework is (re)incorporated into the DCS, as it was included in the PDCS (page 14).

2. Draft Regulation 123 list

The County Council has serious concerns regarding the wording of the draft Regulation 123 list. The Planning Practice Guidance (PPG) on the operation of the CIL (ID 25-097-20140612) states (my **emphasis** added):

*"Where the regulation 123 list includes a generic type of infrastructure (such as 'education' or 'transport'), section 106 contributions should **not be sought on any specific projects in that category.**"* [Excerpt]

It is for this reason that good practice (i.e. Planning Advisory Service) suggests that charging authorities should include specific infrastructure project exclusions within the Regulation 123 list if they wish for specific projects within a generic type of infrastructure' to be eligible for section 106.

The draft Regulation 123 list is ambiguous and KCC strongly suggests that clarity is required on a number of aspects including, but not restricted to:

Use of CIL receipts

The generic list of projects on page 1 which "*will be considered for support through CIL receipts*" are similar to the projects listed on page 2 which "*will continue to be addressed through S106 agreements*".

Education

The District Council proposes the use of section 106 for Education provision where a residential development is of, "*significant scale to create a demand for new facilities and schools*" (my emphasis added). However *significant* is not defined and even a minor development scheme (i.e. less than 10 units) might generate demand beyond existing capacity.

Furthermore, schemes (of all sizes) do not necessarily give rise to a requirement for "*new facilities and schools*"; the expansion of an existing school might be appropriate to mitigate the level of impact. For example, part of the section 106 contribution from the Folkestone Seafront development has been earmarked to expand the new primary school at Shorncliffe Garrison from one form of entry to two forms – this is not a "*new*" facility or school

The County Council strongly suggests that the District Council revisits the wording of the Education projects listed on page 2. For example, "*Hythe existing primary school expansion*" and "*Romney Marsh existing primary school expansion*" is vague and should be linked to specific projects, i.e. the expansion of Palmarsh Primary School which is to be funded via the Nickolls Quarry section 106 agreement. The current wording would preclude the future use of any CIL receipts for the expansion of any other schools in Hythe.

Similarly, is the District Council referring to a section 106 agreement from the New Romney Broad Location (Core Strategy Policy CSD8)? If so, the wording should be linked to specific projects, i.e. the expansion of St Nicholas Primary School. The current wording would preclude the future use of any CIL receipts for the expansion of any other schools in the Romney Marsh.

Use of section 106

KCC supports the use of section 106 to mitigate the impact of the strategic sites (Folkestone Seafront and Shorncliffe Garrison) and broad locations (New Romney and Sellindge) on local infrastructure provision. However the draft Regulation 123 list must clearly specify which projects are *excluded*, particularly as the District Council is to continue its approach of setting out generic infrastructure types within the list.

Review

The County Council recognises that other infrastructure needs may arise over the course of time in response to development proposals and local needs.

The PPG on the operation of the CIL (Paragraph: 098 Reference ID: 25-098-20140612) states:

“When charging authorities wish to revise their regulation 123 list, they should ensure that these changes are clearly explained and subject to appropriate local consultation.” [Excerpt]

KCC therefore requests that the Regulation 123 list does not seek to reprioritise its infrastructure requirements without prior consultation and agreement from the County Council.

3. Other matters

Requesting further notifications

The County Council requests that it is notified of all of the following:

- Submission of the DCS to the Planning Inspectorate in accordance with section 212 of the Planning Act 2008;
- The publication of the recommendations of the examiner and the reasons for those recommendations; and
- The adoption of the CIL Charging Schedule by the District Council.

Examination in Public

KCC reserves the right to appear at the Examination in Public.

In view of the pending restrictions on the pooling of section 106 contributions and the concerns raised in this letter, the County Council would welcome the opportunity to meet with the District Council at the earliest opportunity to address the limitations of the draft Regulation 123 list and discuss how the sustainable provision of infrastructure will be secured in the Shepway District.

If you require any further information or clarification on any matter, please do not hesitate to contact me.

Yours sincerely,

CIL DCS 011

From:
Sent: 23 March 2015 09:32
To: Planning Policy
Cc: Arnett, Stephen
Subject: 144439 - Shepway draft CIL CS consultation

Dear Planning Policy Team

Thank you for consulting Natural England on your CIL Document.

The matters of the scale and mechanisms for CIL charging falls beyond our remit - so I have no comments to offer.

However if there are associated issues you feel we need to consider, please let me know and I will respond as quickly as possible. If discussion would be helpful, please give me a call.

Yours sincerely,

John Lister

Lead Adviser
Sussex & Kent Team (Area 14)
Natural England
Mobile - 0790 060 8172
www.naturalengland.org.uk

We are here to secure a healthy natural environment for people to enjoy, where wildlife is protected and England's traditional landscapes are safeguarded for future generations.

In an effort to reduce Natural England's carbon footprint, I will, wherever possible, avoid travelling to meetings but attend via audio, video or web conferencing.

CUSTOMER
SERVICE
EXCELLENCE



Natural England is accredited to the Cabinet Office Customer Service Excellence Standard

This email and any attachments is intended for the named recipient only. If you have received it in error you have no authority to use, disclose, store or copy any of its contents and you should destroy it and inform the sender. Whilst this email and associated attachments will have been checked for known viruses whilst within the Natural England systems, we can accept no responsibility once it has left our systems. Communications on Natural England systems may be monitored and/or recorded to secure the effective operation of the system and for other lawful purposes.

CIL DCS 012



ENGLISH HERITAGE
SOUTH EAST

Planning.policy@shepway.gov.uk

CIL Consultation

By Email Only

Your refs:

Our ref: Shepway\PLANNING
POLICY\Local Plan

Direct Dial: 01483 252020

Date: 25 March 2015

Email:

e-seast@english-heritage.org.uk

Dear Sir/Madam

Shepway District Council – Community Infrastructure Levy (CIL)

Thank you for inviting English Heritage to comment on this current consultation.

As there is currently no reference to the historic environment within the draft Charging Schedule, English Heritage would encourage including additional text to refer to the historic environment as a form of infrastructure and how the levy can positively contribute to the protection, conservation and enhancement of the historic environment.

We also recommend that the Regulation 123 list requests investment in the protection, conservation and enhancement of heritage assets and their settings to ensure CIL monies are available to fund appropriate initiatives.

Without prejudice to the above, development specific planning obligations and S106 should continue to offer opportunities for funding improvements to and the mitigation of adverse impacts on the historic environment, such as archaeological investigations, access and interpretation, and the repair and reuse of buildings or other heritage assets. You may wish to clarify this matter in your schedule.

English Heritage would also recommend that the Charging Schedule is fully informed by an up to date and relevant evidence base for the historic environment and its heritage assets in Tamworth. The evidence base will likely assess 'heritage at risk' in the borough and this could provide a useful insight into project opportunities for the Regulation 123 List.

EASTGATE COURT, 195 – 205 HIGH STREET, GUILDFORD, SURREY GU1 3EH

Telephone 01483 252000 Facsimile 01483 252001
www.english-heritage.org.uk

Please note that English Heritage operates an access to information policy.
Correspondence or information which you send us may therefore become publicly available

Additionally, we would recommend on-going communication with conservation and archaeology officers who have access to the Historic Environment Record and local historical information.

Discretionary Relief for Exceptional Circumstances

The regulations emphasise the need to strike an appropriate balance between the opportunities of funding infrastructure from the levy and the potential effects that may arise through increased pressure on the economic viability of development. For example, there could be circumstances where the viability of a scheme designed to secure the reuse and long term viability of a heritage asset is compromised by the requirement for CIL payments.

Vacant or underused heritage assets not only fail to make a full contribution to the Districts economy but they can also give rise to negative perceptions about an area. This, in turn, can detract from its attractiveness to inward investment. Consequently, in setting thresholds there needs to be a clear understanding of the potential impact which CIL could have on investment in, and regeneration of, historic areas - particularly those which have been identified as being 'at risk'.

We are, therefore, encouraging Local Authorities to assert their right to apply discretionary relief for exceptional circumstances; where development which affects heritage assets and their settings and/or their significance, may become unviable if it was subject to CIL.

Paragraph 126 of the NPPF requires that local authorities set out a positive strategy for the conservation and enjoyment of the historic environment in their plan making, including heritage assets most at risk through neglect, decay or other threats. In relation to CIL, this means ensuring that the conservation of its heritage assets is taken into account when considering the level of the CIL to be imposed so as to safeguard and encourage appropriate and viable uses for the historic environment.

Yours sincerely

Andrew Beggs & Associates

COMMERCIAL ESTATE AGENTS & VALUERS

Gresham House
Quarry Road
Hythe, Kent
CT21 5HA
Tel: 01303 244343

Email: enquiries@andrewbeggs.com
Website: www.andrewbeggs.com

Our Ref: AFB/skf

Your Ref:

Shepway District Council
Civic Centre
Castle Hill Avenue
FOLKESTONE
Kent CT20 2QY
ATTN: Stephen Arnett

20 March 2015

Dear Sir

Re: Community Infrastructure Levy

Thank you very much for speaking to the Folkestone, Hythe and District Association of Surveyors, Valuers, Auctioneers and Estate Agents last night and I think it helped many of the members understand the full implications of the new proposals.

As you will be now aware, most of the members are involved in advising residential property owners and developers and whilst I think the apparent simplicity of the proposed new levy seems to be extremely attractive, it would only be so if it replaces the 106 Agreement requirements. Builders and developers can then assess exactly what their expenses are from the outset rather than having to enter into complicated negotiations.

The proposed size of the levy does give rise to some major concerns particularly as adjoining Local Authorities at Ashford, Dover, Canterbury, etc., have not yet attempted to introduce CIL this will have the effect of making new housing costs in particular about £10,000 dearer on a small modern house. The impact of that, in an area where margins are extremely tight, could have a major slowing down effect forcing builders and developers to look at the adjoining areas in preference to building in Folkestone. At a time when the Country needs cheap housing the size of the levy, in my view, is totally unrealistic. I would suggest if the District Council wishes to proceed it should do so on the basis of a fairly nominal contribution to begin with and to review the situation as other Local Authorities introduce levy's in the adjoining areas.

When you add this £10,000 to the £25,000 which was added by Code 3 of the Building Regulations we could end up with the same situation of years ago when Development Land Tax was introduced and literally no land came on to the market and the housing shortage got worse rather than better. I urge your Council to reconsider some of these points.

Yours sincerely

Appendix 2

Shepway District Council Community Infrastructure Levy (CIL) Draft Instalments Policy (Draft: v2, April 2015)

Background

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.

Whilst comments on the draft instalments policy are welcomed, it should be noted that the draft instalment policy will not itself form part of the draft CIL Charging Schedule examination in public.

Draft Instalments Policy

The draft policy proposes that CIL will be payable by instalments on liable developments as stated by the adopted CIL Charging Schedule, as follows:-

Residential Developments

- 1) Where the chargeable amount is less than £50,000, full payment will be required within 60 days of the commencement date.
- 2) Where the chargeable amount is more than £50,000 but less than £100,000, two instalments will be allowed:

- The first instalment representing 50% of the chargeable amount will be required within 60 days of the commencement date; and
 - The second instalment representing 50% of the chargeable amount will be required within 180 days of the commencement date.
- 3) Where the chargeable amount is over £100,000, an approach based on each phase of a developments will be allowed requiring three instalments:

Therefore, for each phase of a development:

- The first instalment representing 25% of the chargeable amount will be required within 60 days of the commencement date;
- The second instalment representing 25% of the chargeable amount will be required within 180 days of the commencement date; and
- The third instalment representing 50% of the chargeable amount will be required within 360 days of the commencement date.

Large Scale Retail Developments outside of Folkestone Town Centre

Larger scale, retail developments outside of Folkestone Town Centre are the only other type of use proposed to pay CIL at the current time.

CIL will be payable by 2 instalments as follows, for all liable retail developments:

- The first instalment representing 50% of the chargeable amount will be required within 60 days of the commencement date; and
- The second instalment representing 50% of the chargeable amount will be required within 240 days of the commencement date.

Adoption and Review

The instalments policy will take effect at the same time as the commencement date of the Council's adopted CIL Charging Schedule.

In accordance with the CIL Regulations, the Council can vary the terms of an instalments policy if circumstances determine this to be appropriate, at any time as long as the previous instalments policy has been in effect for more than 28 days.

Appendix 3

Shepway District Council Community Infrastructure Levy (CIL)

Draft Charging Schedule

June 2015

**Submission Document
(For Examination in Public)**



**Shepway District Council
Community Infrastructure Levy (CIL):
Draft Charging Schedule**

The Consultation on the Community Infrastructure Levy (CIL) Draft Charging Schedule is the second of the consultations required as part of the process leading to the introduction of CIL, in Shepway District. The document sets out the Council's preferred position on CIL rates that it proposes to submit for examination in public, after the consultation.

The consultation period on the draft CIL Charging Schedule ran from 9th February to the 23rd March 2015 (all representations and comments to be received by 5pm).

For further information, please visit the Council's website at:

<http://www.shepway.gov.uk/planning/planning-policy/community-infrastructure-levy>

Or telephone: 01303 853364

<u>Contents</u>	<u>Page</u>
The Charging Authority and charging area	4
Purpose of the consultation	4
Statutory compliance	4
CIL liable developments	4
Mandatory exemptions from CIL	5
Proposed CIL rates and zones	6
<ul style="list-style-type: none"> • Table 1: Residential • Table 2: Retail • Table 3: Strategic and key development sites • Table 4: Other developments 	
Index linking CIL rates to inflation	7
Payment of CIL and instalments policy	7
Payment in kind policy	7
Discretionary relief from CIL	7
Parish and Town Councils' neighbourhood fund	8
Draft Regulation 123 list	8
Monitoring and review	8
Responding to the consultation	9
Timescale for submitting responses	9
Requesting further notifications	10
Timescale for adoption of a CIL charging schedule	10
Appendices	11
1) Residential developments: district zones A,B,C, D	
2) Residential developments: Folkestone inset map, zones A,B,C	
3) Folkestone town centre retail and commercial area	
4) Strategic and key development sites (Core Strategy Local Plan Policies SS6, SS7, CSD8, CSD9)	

The Charging Authority and Charging Area

The Charging Authority is Shepway District Council.

The charging area covers the administrative area of Shepway District.

Purpose of Consultation

This consultation document represents the second formal stage in Shepway District Council's preparation of a Community Infrastructure Levy (CIL) charging schedule.

CIL is a tariff based approach to funding infrastructure that allows local authorities to raise funds from developers undertaking new building projects. Its purpose is to help fund the provision of infrastructure needed to support the growth and development identified by an area's Local Plan.

The CIL Draft Charging Schedule sets out the CIL rates that the Council proposes to charge on development within its charging area. Rates are set out as '£s per sq m' on chargeable developments, in respect of different types of development and geographical areas. A cross reference to the Use Class Order is also provided.

Statutory Compliance

The provisions for CIL are set out by Part 11 of the Planning Act 2008, the Localism Act 2011, and the CIL Regulations 2010 (as amended in 2011, 2012, 2013 and 2014).

This Draft Charging Schedule is published for public consultation as the second step in setting a CIL charge for Shepway District Council, and is published in accordance with Regulations 15 and 16 of the CIL Regulations.

The CIL Regulations can be accessed via the following website:

<https://www.gov.uk/government/policies/giving-communities-more-power-in-planning-local-development/supporting-pages/community-infrastructure-levy>

CIL Liable Developments

CIL is charged according to the rates stated in a Local Authority's Charging Schedule on the:

- The net additional gross internal floorspace of all new residential units, regardless of their size; and
- The erection of, or extensions to, other buildings creating over 100 sq m net new additional gross internal floorspace.

The rates set out in an adopted CIL Charging Schedule are not negotiable.

Mandatory Exemptions from CIL

Some types of development are exempt from paying CIL, including the following as set out by the CIL Regulations:

- Minor development of less than 100 sq. m. net additional gross internal floorspace, unless it results in the creation of net additional dwelling(s) (Regulation 42);
- The conversion of any building previously used as a dwelling house to two or more dwellings;
- Full relief is applied on all those parts of chargeable development that are to be used as social/affordable housing (criteria set out in Regulation 49/49A);
- All forms of residential development including annexes and extensions which are built by 'self builders';
- A registered charity landowner will receive full relief from their portion of the liability where the chargeable development will be used wholly or mainly for charitable purposes (Regulation 43-48);
- The conversion of or works to a building in lawful use that affects only the interior of the building;
- Mezzanine floors of less than 200 sq m inserted into an existing building, unless they form part of a wider planning permission, which seeks to provide other works;
- Development of buildings and structures into which people do not normally go into, or enter under limited circumstances (for example an electricity sub-station or wind turbine) (Regulation 5(2));
- Vacant buildings brought back into use (Regulation 40), where there is no net gain in floorspace, provided a building has been in use for 6 continuous months out of the last 3 years.
- When a CIL charge is calculated as £50 or less, a CIL payment will not be charged by the Council (Regulation 40)

In addition to the above exemptions, developments that have a planning permission when a CIL charging schedule comes into force are not liable for CIL. This includes any subsequent reserved matters applications following outline planning permission. If developments with planning permission are not commenced within a conditioned time limit, any subsequent renewal or amendment applications are liable to CIL, if by that time a Charging Schedule has been adopted.

Proposed CIL Rates and Zones

The following tables and location maps at appendices 1 to 4, detail the proposed CIL rates and zones for Shepway District Council's administrative area:

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

Table 2: Retail Developments		
Zone	Development (A1 to A5 uses)	CIL rate / £ per sq m
Folkestone Town Centre Area (appendix 3)	All convenience and comparison retail and other development akin to retail	£0
Rest of district	Supermarkets, superstores, and retail warehousing (net retail selling space of over 280 sq m) (a & b)	£100
Rest of district	Other large scale development akin to retail (net retail selling space of over 280 sq m) (c)	£100
Rest of district	Other retail development and developments akin to retail (net retail selling space up to 280 sq m)	£0
Notes		
<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>		

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

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

Index Linking CIL Rates to Inflation

In accordance with Part 5 of the CIL Regulations 2010 (as amended), the calculation of CIL liability will take account of inflation by index-linking to the national All-in Tender Price Index published from time to time by the Building Cost Information Service (BCIS) of the Royal Institution of Chartered Surveyors.

The need for an index linked increase will be considered 12 months after the adoption date of the Charging Schedule, and at each subsequent 12 month period thereafter, over the life-cycle of the Charging Schedule.

Payment of CIL and Instalments Policy

Payment of CIL is due from the date of commencement of the liable development. The default position set by the CIL Regulations is that the whole amount must be paid within 60 days of commencement, unless a discretionary instalments policy is offered. Shepway District Council intends to provide this facility, with its proposed terms outlined by a draft CIL Instalments Policy, which can be viewed on the following Council webpage:

<http://www.shepway.gov.uk/planning/planning-policy/community-infrastructure-levy>

This policy does not however, have to form part of the consultation and examination on the draft CIL Charging Schedule, and is therefore provided for information only.

Payment in Kind

The CIL Regulations 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. Shepway District Council intends to provide this facility, with its proposed terms outlined by a draft CIL Payments in Kind Policy, which can be viewed on the following Council webpage:

<http://www.shepway.gov.uk/planning/planning-policy/community-infrastructure-levy>

The Council is not however, obliged to accept any offer of payment in kind by land or infrastructure.

This policy does not have to form part of the consultation and examination on the draft CIL Charging Schedule, and is therefore provided for information only.

Discretionary Relief from CIL

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.

Parish and Town Councils' Neighbourhood Fund

The CIL Regulations 2010 (as amended), and section 2 of the Localism Act (2011) require a Charging Authority to pass a 'meaningful proportion' of CIL receipts to local neighbourhoods, where development has taken place.

Parishes where development takes place will therefore receive their own portion of CIL income to spend on the infrastructure they want. In areas where there is no neighbourhood plan this will be 15%, capped at £100 per existing dwelling. Where a neighbourhood plan is in place the portion is an uncapped 25%.

Draft Regulation 123 List

The CIL Regulations 2010 (as amended), requires a Charging Authority to provide at examination a draft list of the projects or types of projects that will be funded in whole or in part by CIL. The list, called the Draft Regulation 123 List, needs to link to an infrastructure assessment, which considers the infrastructure funding required to support the growth outlined by an area's Local Plan.

A draft Shepway District Council Regulation 123 list and a Draft Infrastructure Assessment and Delivery Plan, can be viewed on the following Council webpage:

<http://www.shepway.gov.uk/planning/planning-policy/community-infrastructure-levy>

Monitoring and Review

As per the requirements of the CIL Regulations 2010 (as amended), collection and spending of CIL funds will be reported annually.

So as to ensure an appropriate CIL rate that reflects changing market and other influences on development viability and deliverability, the Council will put in place an appropriate monitoring and review framework that consists of:

- Reporting of the level of housing market activity and development in the Council's Authority Monitoring Report (AMR).
- Tracking of funding coming forward to meet infrastructure from CIL and other sources.
- The amount of CIL collected since the adoption and commencement dates of a CIL charging schedule; how it has been allocated; and the infrastructure projects part, or wholly supported through CIL.
- A continuation of existing s106 monitoring systems.

CIL Regulations allow adopted CIL rates to be updated annually for inflation, based on the Building Cost Information Service (BCIS) all tender prices index.

It is also anticipated that the CIL charging schedule and its rates will be reviewed within a 3 to 5 year time period, from its adoption date, or at an earlier date if changing market conditions support this.

Responding to the Consultation

Comments and representations are invited on the draft CIL Charging Schedule, the accompanying draft Regulation 123 list, and supporting information. Further information and copies of all CIL related documents, are available on the Council's website as follows:

<http://www.shepway.gov.uk/planning/planning-policy/community-infrastructure-levy>

Comments and representations should be made in writing and sent to the following addresses:

By email to - planning.policy@shepway.gov.uk (with 'CIL consultation' in the subject bar)

By post to -

Draft CIL Charging Schedule Consultation
Shepway District Council
Planning and Building Control
Planning Policy
Civic Centre, Castle Hill Avenue
Folkestone, Kent
CT20 2QY

Please note that all representations made in response to the draft CIL Charging Schedule must be submitted to the examiner, together with a summary of the main issues raised. Therefore, comments cannot be treated as confidential and will be made available as public documents. Personal addresses will not however, be made publicly available.

Timescale for Submitting Comments

The consultation period on the draft CIL Charging Schedule runs from 9th February to the 23rd March 2015 (all representations and comments to be received by 5pm).

Requesting Further Notifications

Any organisation or person making representations may request that they be notified at a specified address, of any of the following:

- That the draft CIL Charging Schedule has been submitted to the examiner in accordance with section 212 of the Planning Act 2008;
- The publication of the recommendations of the examiner and the reasons for those recommendations; and
- The approval of the CIL Charging Schedule by the Council

If you would like further notification of the above matters, please state this in your response to the draft CIL Charging Schedule.

Timescale for Adoption of a CIL Charging Schedule

Following this consultation, all comments received along with all supporting information will be submitted to the Planning Inspectorate for independent examination. Anybody who makes comments in response to this document will have the right to be heard at the Examination in Public.

Following the Examination in Public, the Examiner will publish a report, which will set out their findings. If the Examiner approves the CIL Draft Charging Schedule, the Council will look to bring the CIL Charging Schedule into effect according to the timescale indicated as follows:

Activity	Timing
Draft CIL Charging Schedule issued for consultation and representations	February to March 2015
Submission of CIL Draft Charging Schedule to Secretary of State	Summer 2015
Examination in Public for CIL Draft Charging Schedule	Summer 2015 (exact date to be set)
Shepway District Council's adoption of CIL Charging Schedule	Autumn 2015
Commencement date of CIL Charging Schedule	Winter 2015/16
<i>Note: The Council will use its best endeavours to keep to the above indicated timetable, but reserves the right to amend this if circumstances as they become known, determine this to be necessary.</i>	

APPENDIX 1: CIL charging zones for residential developments.



Contains Ordnance Survey data
© Crown copyright and database right
Shepway District Council 100019677 - 2014



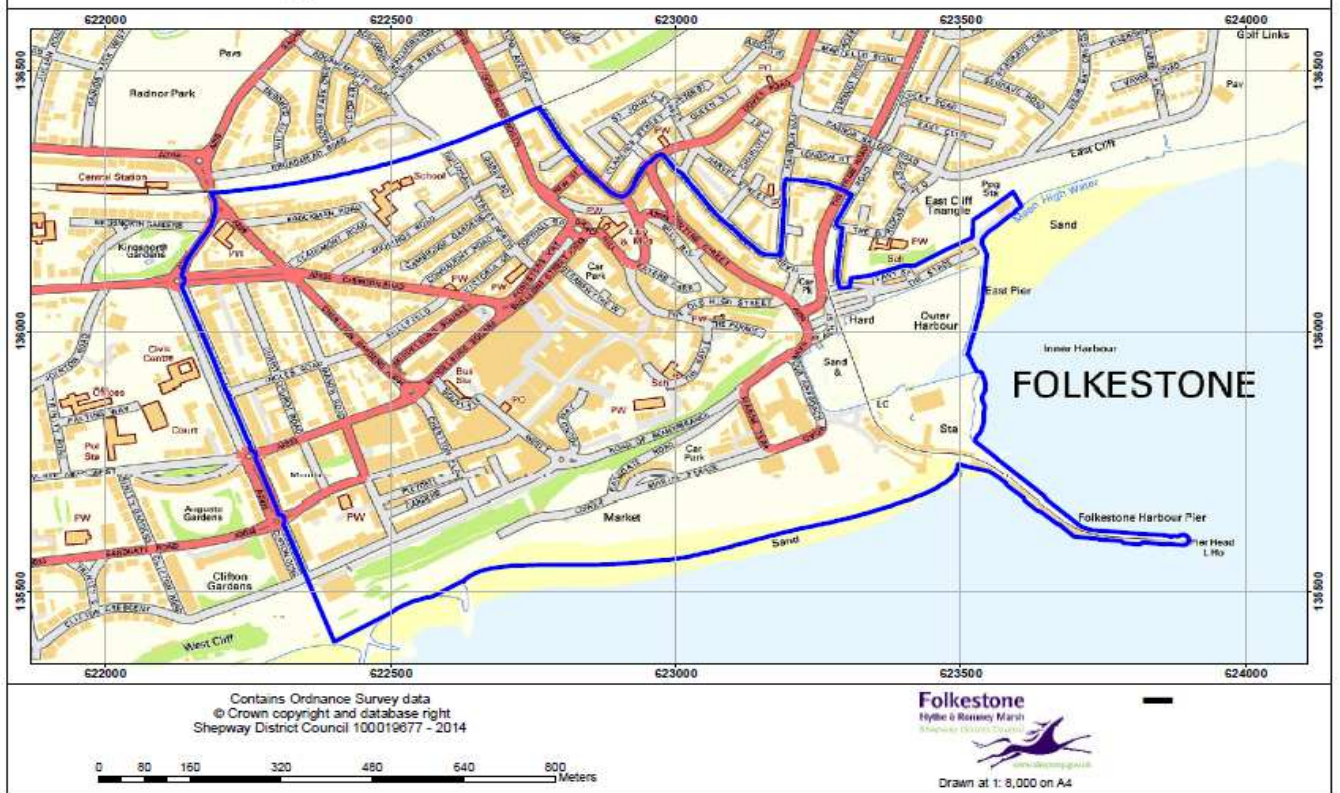
Drawn at 1: 115,000 on A4

APPENDIX 2:
CIL charging zones for
residential developments.

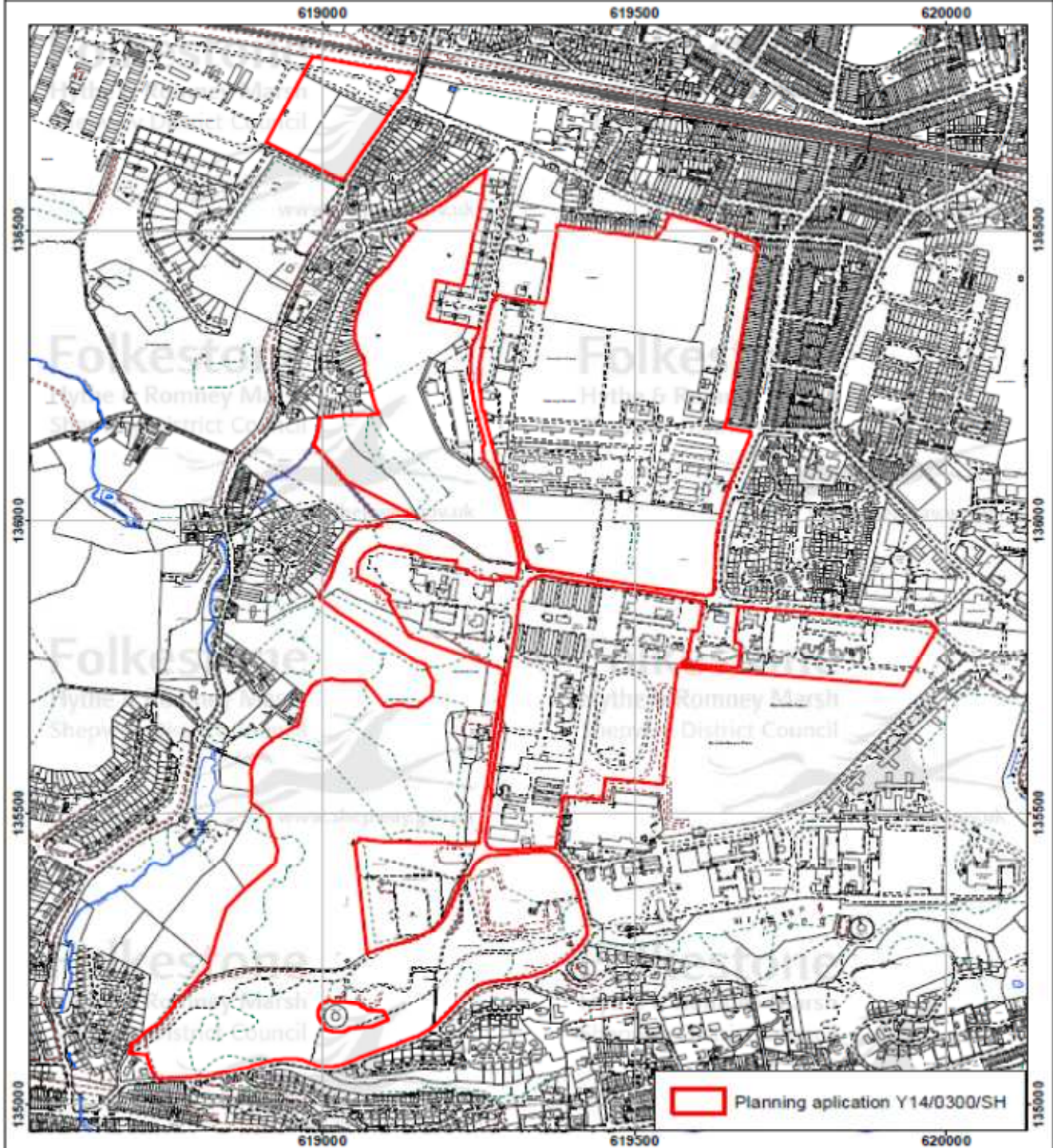
Folkestone Town Inset Map



Appendix 3: Folkestone Town Centre Retail & Commercial Area



Shorncliffe Garrison (Core Strategy Local Plan Policy SS7)

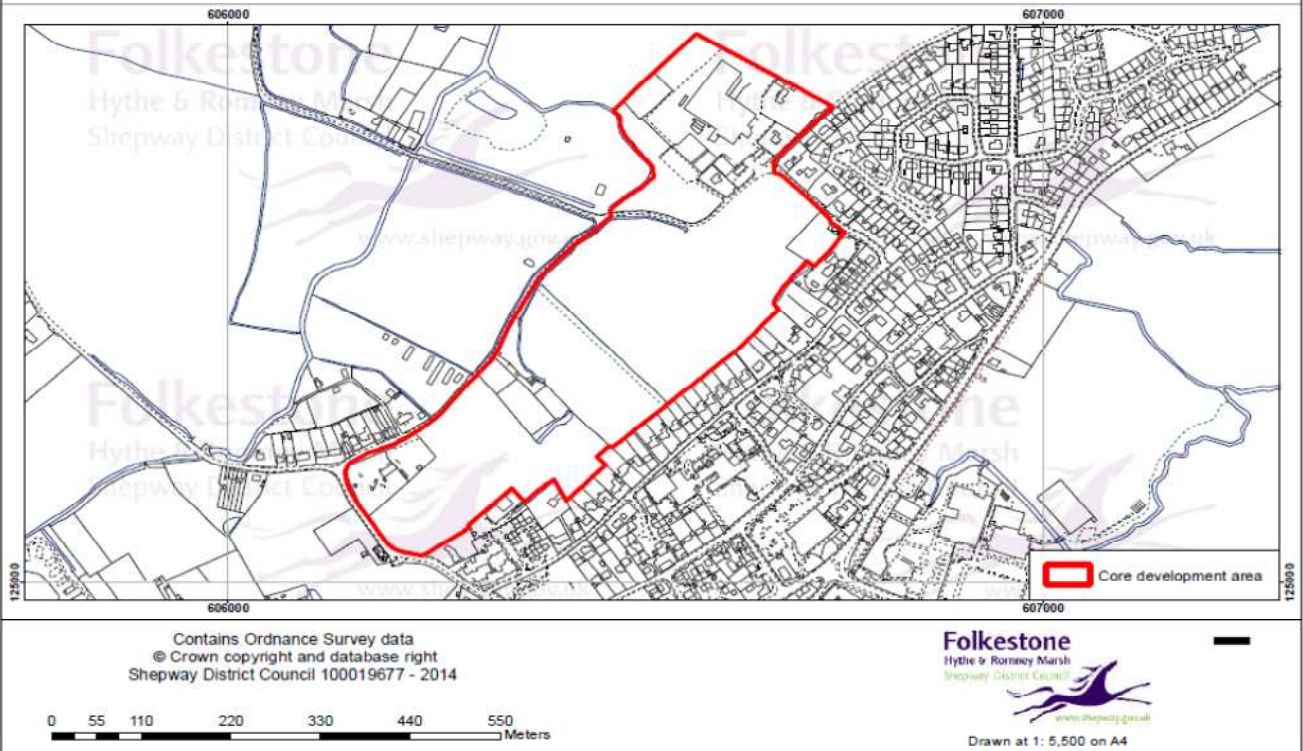


Contains Ordnance Survey data
© Crown copyright and database right
Shepway District Council 100019677 - 2014

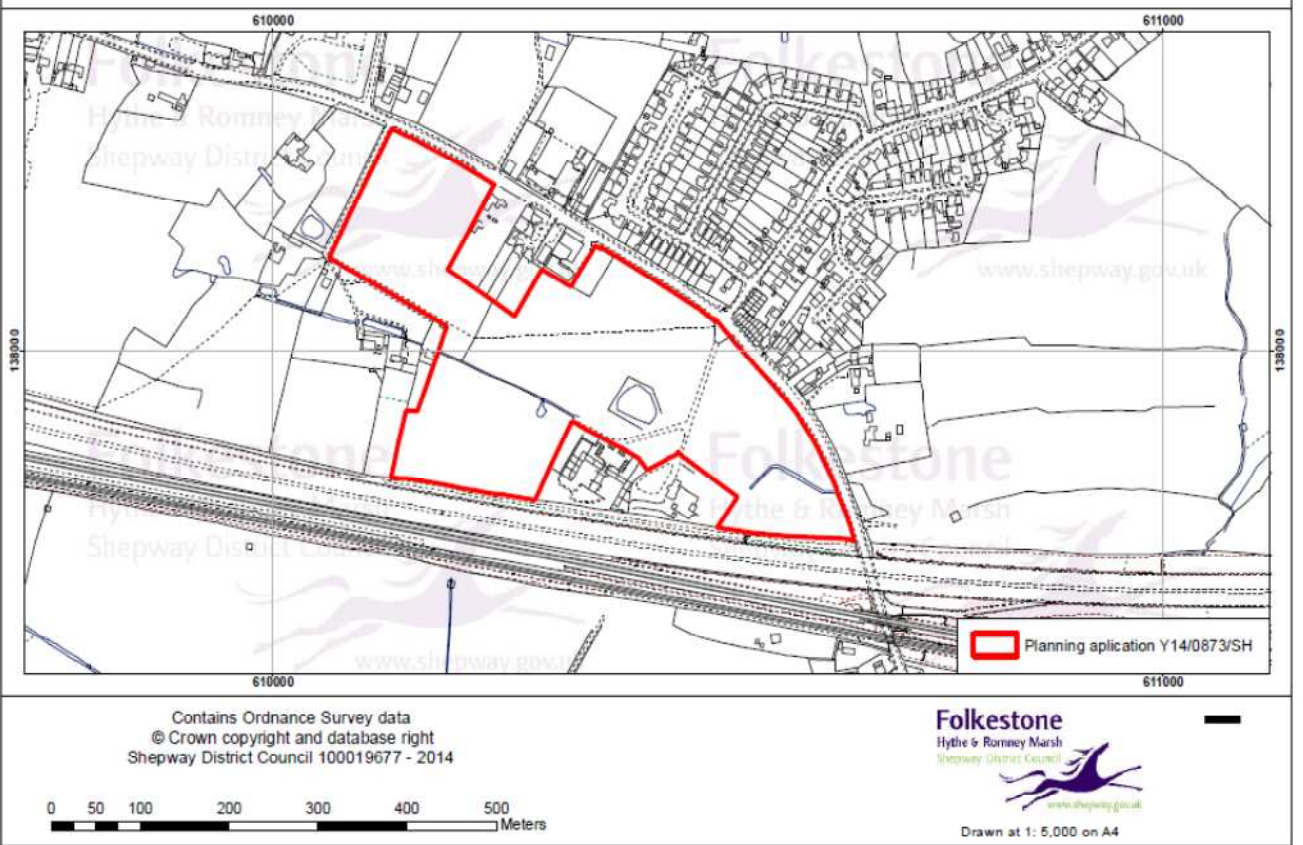


Drawn at 1: 8,500 on A4

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



Sellindge (Core Strategy Local Plan Policy CSD9)



Appendix 4



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 6th 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:

Infrastructure Types or Projects that maybe wholly, or partly funded by CIL	Project Exclusions (to be secured through S106 or alternative measures, including S278s)
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><u>Notes</u></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"> • Folkestone Harbour and Seafront • Shorncliffe Garrison • Sellindge • New Romney broad locations • Nickolls Quarry 	

This page is intentionally left blank

This Report will be made public on 14 July 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/15/13**

To: Cabinet
Date: 22 July 2015
Status: Key Decision
Corporate Director: Jeremy Chambers, Resources
Cabinet Member: Councillor Jenny Hollingsbee, Communities

SUBJECT: **FILMING POLICY AND CHARGING SCHEDULE**

SUMMARY: When Cabinet considered the Fees and Charges for 2015/16 (Report C/14/42) it was agreed to receive a follow up report regarding the feasibility of introducing a charging schedule for commercial filming on council land. This report presents a summary of the findings from a review conducted by the Community Development Team. Following the review, a draft Filming and Photography Policy and a proposed Charging Schedule have been developed. Both are presented to Cabinet for approval.

REASONS FOR RECOMMENDATIONS:

Cabinet is asked to agree the recommendations set out below because:

- a) Report C/14/42 stated that a supplementary report (i.e. this report) would be brought back to Cabinet setting out the findings of a review into charging for commercial filming on council land.
- b) The proposed Filming and Photography Policy will provide a better framework for managing requests to film on council land than the current ad hoc arrangements.

RECOMMENDATIONS:

1. To receive and note report C/15/13.
2. To adopt the Filming & Photography Policy
3. To adopt the proposed charging schedule
4. To approve the proposed Partnership Agreement with Kent Film Office

1. BACKGROUND

- 1.1 This report has been prepared further to recommendation 4 of report C/14/42 concerning the Fees and Charges 2015/16:

“To acknowledge the new charges under consideration (as per paragraph 2.4) and to note that a further report will be submitted to Cabinet on 17 December with the findings of this review”

- 1.2 The council often receives requests from companies to film on Shepway land across the district for commercial purposes. At the moment, SDC does not charge either an administration fee for processing the request (e.g. checking insurance documents, confirming ownership of the land, checking any covenants, advising on any health and safety issues etc) nor does it charge an hourly or daily rate for filming which is common in the industry and which some councils do as a matter of course. It is proposed that a charging schedule for filming and photography can be introduced, however, it would not seek to charge educational, community or voluntary groups to film in the district.
- 1.3 This report summarises the findings of a review into council charges for granting permissions to film. It also sets out the draft Filming and Photography Policy and proposes a charging schedule for approval by Cabinet.
- 1.4 The Council has an opportunity to develop a close working relationship with the Kent Film Office (KFO) to attract more filming and photography activities to the District. A draft Partnership Agreement is therefore attached for consideration.

2. FILMING AND PHOTOGRAPHY POLICY

- 2.1 The purpose of this policy is to set out the framework for filming in Shepway and the charges that apply for filming on land owned by Shepway District Council. The description of “filming” as set out in this policy refers to every type of filming. In particular feature films, television productions, commercials, music promotion videos, corporate filming, student/short films and stills photography.
- 2.2 The policy provides a framework for Shepway District Council to work closely with the Kent Film Office (operated by KCC) to determine whether or not an application to film or take photographs on council land should be approved or rejected. Moreover, it specifies what fees should be applied in different circumstances.
- 2.3 The policy also provides information to film makers and photographers to allow them to submit an application to the Kent Film Office to film on council land. It also clearly states the responsibilities of individuals and companies to:

- provide sufficient notification to local agencies of the intention to film;
- submit the required documentation in order for local agencies to be able to issue the appropriate permits to film; and
- adhere to the required code of conduct for filming

3. REVIEW OF CHARGES FOR COMMERCIAL FILMING

3.1 The council's Community Development Team has reviewed the charging schedules adopted by other comparable local authority areas.

3.2 Below is a table presenting a summary of information that has been collected:

Council	Charging Information
Adur and Worthing Councils	A standard administrative fee of £250.00 will be charged for all filming and photography shoots that take place within Adur & Worthing Councils land and properties. The exact filming fee will vary depending on the length and scope of the filming. Charges for filming will be applied to all applications although the Council reserves the right to reduce or waive these charges for student film-makers and charitable organisations. No fee will be charged for news reports and interviews. In addition to the filming fee, the company should agree to include the location in the credits for the film. In the event of the filming or shoot being cancelled or postponed, a £50 administration charge will apply.
Brighton & Hove City Council	Commercial Promotions (all sites): £1,000 per day (weekdays) £1,250 per day (weekends)
Chichester District Council	A standard charge will apply for any filming taking place on our land or property. The charges are currently: £500 per day; and, £250 per half day. There will also be an administrative fee of £150.
Crawley Borough Council	The following charges apply when filming in Crawley: ½ day filming (6 hours) - £400 +VAT 1 day filming (12 hours) - £750 +VAT
Dover District Council	No charge for enquiries. Charges are flexible and dependent on the type of shoot. Charges of £520 plus VAT per day or £88.00 plus VAT per hour may apply. Extra charges may apply (e.g. parking, road closures).
Eastbourne Borough Council	Rates are negotiable depending on type of filming activity. Have an hourly charge of £150 for the first hour then a variable rate depending on the type of filming (ranging from £20-£300). Have a daily charging schedule based on a 12 hour filming day with 8 hours shooting and 4 hours set up strike. Fees range from £100-£3,000 per day depending

	on the type of filming activity. Exemptions (no charge) for news / children's television / schools / tourism / religion / reality programmes or documentaries and Shorts festival.
Guildford Borough Council	For Council owned properties, parks and council-owned open spaces: Daily Rates (negotiable) Features - £750 - £1,000 TV - £500 - £1,000 Documentaries/low budget - £250 - £500 Still Photograph - £100 - £500 Exemptions for news, educational, schools, tourism, religion, reality, shorts/festival. The council reserves the right to reduce or waive these charges for student film-makers and charitable organisations.
Luton Borough Council	LBC property and locations: up to 1 hour - £150 between 1 and 4 hours – £350 4-6 hours (half day) – £600 7 hours or more – £1,000 All prices are inclusive of VAT
Rother District Council	Charges vary depending on location. Can charge up to £2,000 per day for a feature film and a half day photo shoot (fashion) is charged at £271+VAT up to £650+VAT for a day. Other locations charge a lower fee – typically £150-£500 for shoots.
Sedgemoor District Council	The standard charge for filming is £500 per day or £250 per half day. The council negotiates concessionary rates for student filmmakers.
Thanet District Council	An administration charge (per hour) applies for complex enquiries. Have requested that charging information is kept confidential, as each request is dealt with on an individual basis.

- 3.3 Having conducted the review, it is apparent that charging for commercial filming is common practice although how this is done does seem to vary between authorities.
- 3.4 In Kent, the Kent Film Office largely coordinates filming applications and activities and levers the relevant fees as set out by the District Council's through agreement. A percentage administrative fee is then taken by the Kent Filming Office from the amount charged.
- 3.5 In considering whether or not to charge for commercial filming on SDC land there are a few options to consider:

Option 1: An hourly rate

Some authorities charge by the hour. This can be a standard rate which applies to different locations and different types of filming or they can apply different hourly rates depending on the nature of the filming activity.

Option 2: Half day and daily rates

The standard fees seem to be around £250 + VAT for a half day and £500 + VAT for a full days commercial filming. Again fees can vary depending on location or the type of filming being undertaken.

Option 3: Variable rates for different types of filming

Some councils apply different charges according to the type of activity with larger scale productions being charged more. Different charges could be applied to the following, for example:

- Advertising productions, commercials, filming for Internet advertising
- Feature films
- Low budget feature films
- Television dramas
- Educational, corporate, light entertainment, music promotions
- Interviews, sound recordings
- Photo shoots - national publications
- Photo shoots - low budget publications

Option 4: Concessionary rates

All councils seem to operate some form of concessionary rate scheme for non commercial organisations. This can take the form of a £0 charge or a discount on the normal rates that apply for commercial organisations.

Option 5: Administration fees

Some councils charge a standard administration fee to process applications to film and some charge a separate administration fee for postponed or cancelled filming shoots. The majority do not seem to charge an administration fee.

- 3.6 Most council's seem to prefer to retain some degree of flexibility in their charging to allow them to negotiate the fees depending on the nature of the enquiries they receive. There is, therefore, some discretionary authority given to the Kent Film Office applying the fees, to negotiate the level of charges, especially for the bigger commercial filming applications.

4. PROPOSED SDC CHARGING SCHEDULE

- 4.1 Section twelve of the draft SDC Filming and Photography Policy sets out a proposed charging schedule to be adopted as part of the council's Fees and Charges 2015/16:

Type of Request	Charge
Student / Charities / News Crews	Free
Commercial Filming – Small Crew (Upto ten people & small tripod)	Upto £500 per day or £85 per hour
Commercial Filming – Medium Crew (Upto 40 people, kit & trucks)	Upto £2,000 per day or £340 per hour

Commercial Filming – Large Crew (More than 40 people, kit & trucks)	Upto £3,000 per day or £510 per hour
--	---

4.2 In determining the proposed level of charges, council officers in consultation with the Portfolio Holder have been mindful of delivering the stated objectives of the policy, which are to:

- Maximise inward investment in the Shepway economy from film and television production;
- Promote the district in the best possible manner to encourage visitors and boost tourism;
- Ensure all filming and photography is conducted in a safe manner and the public’s health and safety is protected at all times; and
- Minimise any disruptive effect filming and photography may have on others.

4.3 As a result, the proposed charges have been set at a moderate level when compared to the cohort of councils that have been considered as part of the review.

4.4 Charges do not apply for the following individuals and organisations:

- Students creating films as part of their academic studies;
- Registered charities or community groups;
- Broadcasters generating news reports.

This is common practice across all the local authorities that were examined as part of the review not to charge these groups for permission to film. Moreover, not charging is consistent with SDC’s current approach to charging for permission to hold events on council land.

5. PARTNERSHIP AGREEMENT

It is recommended that Shepway District Council works closely with the Kent Film Office as, with their knowledge and expertise, they are able to negotiate on behalf of the council to agree the best terms within the parameters set out in the policy. A draft Partnership Agreement between SDC and the KFO is attached at Appendix E.

6. RISK MANAGEMENT ISSUES

6.1 The following risks have been identified:

Perceived risk	Seriousness	Likelihood	Preventative action
The council is held responsible for incidents which occur when filming	High	Low	The Policy makes clear that Liability for any filming undertaken on council land is the sole responsibility of

takes place on council land			<p>the production company and its employees or the individual who has sought permission to film. The council checks it has an indemnity before granting permission to film.</p> <p>The Policy provides a framework to manage all filming on council land including a code of conduct.</p> <p>The Kent Film Office checks Public Liability Insurance and risk assessments are in place.</p>
The council is unable to manage requests to film on council land effectively	Medium	Low	The Policy provides a much clearer framework for managing requests and makes more information available to applicants seeking permission to film.
The charging schedule is prohibitively high and deters commercial filming in the district	Medium	Low	Council officers have undertaken a benchmarking exercise to match the proposed charges to comparable authorities. The SDC charges are in line with what other LAs charge.

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments (AK)

To be added.

7.2 Finance Officer's Comments (LH)

To be added.

7.3 Diversities and Equalities Implications (MM)

There are no major equality issues arising from the adoption of a Filming Policy by the council. However, as it is a new policy, the council has completed a stage one Equal Treatment Assessment (ETA) to be found at Appendix D.

8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Tamasin Jarrett - Community Development Manager

Telephone: 01303 853277

Email: Tamasin.jarrett@shepway.gov.uk

The following background documents have been relied upon in the preparation of this report:

Appendices:

Appendix 1: Draft Filming and Photography Policy

Appendix 2: Equal Treatment Assessment (ETA)

Folkestone

Hythe & Romney Marsh

Shepway District Council



Filming & Photography Policy

July 2015

Contents

Section 1:	Purpose of the Filming and Photography Policy
Section 2:	Background
Section 3:	Legislative Framework
Section 4:	Types of Filming and Photography
Section 5:	Policy Objectives
Section 6:	Land Ownership in Shepway
Section 7:	Application Process and Notifications
Section 8:	Decision Making Process
Section 9:	Granting Permission to Film or Take Photographs
Section 10:	Refusing Permission to Film or Take Photographs
Section 11:	Notification
Section 12:	Charging Schedule
Section 13:	Payments
Section 14:	Cancellation & Refunds
Section 15:	Code of Conduct
Section 16:	Copyright
Section 17:	Useful Contacts
Section 18:	Review
Appendix A:	The Film Request Process
Appendix B:	Shepway District Council Location Release Form
Appendix C:	Summary of the Kent A-Z filming guidelines
Appendix D:	Equality Impact Assessment
Appendix E:	Partnership Agreement between SDC & the Kent Film Office

Section 1: Purpose of the SDC Filming & Photography Policy

- 1.1 The purpose of this policy is to set out the framework for filming in Shepway and the charges that apply for filming on land owned by Shepway District Council.
- 1.2 This policy provides a framework for Shepway District Council staff to determine whether or not an application to film or take photographs on council land should be approved or rejected. Moreover, it specifies what fees should be applied in different circumstances.
- 1.3 The policy provides information to film makers and photographers to allow them to submit an application to film on council land. It also clearly states the responsibilities of individuals and companies to:
 - provide sufficient notification to local agencies of the intention to film;
 - submit the required documentation in order for local agencies to be able to issue the appropriate permits to film; and
 - adhere to the required code of conduct for filming in the district.

Section 2: Background

- 2.1 Shepway District Council recognises the positive contribution that film production and photography can make to the local area with particular regard to the direct economic benefits they can bring and the enhanced tourism interest in the district. As a consequence, the Council endorses film friendly policies supporting the work of production companies that act in a responsible and professional manner.

Section 3: Legislative Framework

- 3.1 The legal frameworks governing filming, as well as the relevant pieces of legislation are set out in the [Kent A-Z Filming Guidelines](#).

Section 4: Types of Filming and Photography

- 4.1 The description of “filming” as set out in this policy refers to every type of filming. In particular feature films, television productions, commercials, music promotion videos, corporate filming, student/short films and stills photography.

Section 5: Policy Objectives

- 5.1 Shepway District Council’s Filming and Photography Policy is intended to further the following policy objectives:
 - Maximise inward investment in the Shepway economy from film and television production;
 - Promote the district in the best possible manner to encourage visitors and boost tourism;

- Ensure all filming and photography is conducted in a safe manner and the public's health and safety is protected at all times; and
- Minimise any disruptive effect filming and photography may have on others.

5.2 Shepway District Council is committed to working closely with the Kent Film Office to:

- Support the Kent Film Office to become the first point of call for all productions wishing to film in Shepway, allowing them to co-ordinate the process of obtaining permissions from local agencies.
- Use one uniform filming form that has been developed in conjunction with all the district and borough councils to ease the amount of administration a production company is expected to complete when engaging in cross border filming in Kent and thus encourage an increase in filming opportunities for the county.
- Promote and recommend suitable locations for filming in Shepway; and
- Share data with the Kent Film Office regarding the number of days filmed in an area, the income generated, and the nature of the filming. This information will be collated by the Kent Film office and used to demonstrate the economic benefits of filming in Kent.

Section 6: Land Ownership in Shepway

- 6.1 Shepway District Council can only give consent for filming on property that it owns. It is film-makers' responsibility to liaise with private landowners.
- 6.2 The Kent Film Office holds an online database of filming locations in Shepway. www.kentfilloffice.co.uk
- 6.3 Dungeness Estate – At the Dungeness Estate, filming is managed and supervised by the Romney Marsh Countryside Partnership for the Dungeness Estate and charges are made for photo shoots, film shoots and student shoots. The funds raised from the charges are allocated towards the future management of the land.

Romney Marsh Countryside Partnership

<http://www.rmcp.co.uk/>

Tel: 01797 367934.

Email: info@rmcp.co.uk

- 6.4 Sites of Special Scientific Interest (SSSI) – Most of the SSSIs in Shepway are privately owned so Shepway District Council cannot offer permission to film on them or offer to manage the film shoots. Applicants must contact the private landowner and Natural England with the assistance of the Kent Film Office.

Section 7: Application Process and Notifications

- 7.1 The Kent Film Office is the central hub for all filming requests for Kent. Due to its understanding of the requirements of the filming industry and knowledge of film locations across the district, all enquiries should be processed through the Kent Film Office. See Film Request Process at Appendix A.
- 7.2 All applications to film on Shepway District Council land should be directed to www.kentfilmoffice.co.uk. Any enquiries made directly to Shepway District Council via the customer contact centre, website or the Communications Team will be referred to the Kent Film Office.
- 7.3 Kent Film Office issues filming permits through a quick, [online application process](#). The applicant is requested to provide the following summary information:
- Name
 - Position
 - Email address
 - Phone Number
 - Project Name
 - Start Date
 - End Date
 - Crew Size
 - Film type (from a menu of options)
- 7.4 Applicants are also required to attach a copy of their Public Liability Insurance Certificate (if applicable) with their application form.
- 7.5 There is a separate application process for students. They are required to fill in the [Student Filming Application](#) form. Students are required to provide the following information:
- Name
 - Email address
 - Phone Number
 - College/University
 - Course
 - Name of Project
 - Number of crew/cast
 - Start Date
 - End Date
- 7.6 Community groups and charities are required to follow the [Student Filming Application](#) process.
- 7.7 Additional information may be requested at any point by either the Kent Film Office or Shepway District Council during the application process and following permission being granted. This may include:
- A brief outline of the filming/photography to be undertaken, including a statement about the intended purpose of and end use of the imagery.

- Details of the location(s) where filming/photography is to take place.
- A list of equipment that will be used, including any electrical equipment that is to be plugged into a supply within a council-owned property. All equipment must be PAT tested and certified as safe to use.
- A list of crew (including full names); and
- Details of any vehicles involved in the shoot, including registration details.
- Whether filming involves any of the following (as additional permits may need to be issued):
 - Animals
 - Child Performers
 - Cranes/camera cranes and aerial platforms
 - Highways / Traffic Management
 - Filming from a vehicle
 - Lighting, Scaffolding and Generators
 - Night Filming
 - Actors in Police / Emergency Services uniforms or vehicles
 - Stunts / visual effects
 - Changing of road markings and signs
 - Changing of street signs / street furniture / street lighting
 - Any weapons (real or replica) and / or staging of a crime

7.8 It is the responsibility of the applicant to supply a complete application form and provide both the Kent Film Office and Shepway District Council with all the documentation required.

7.9 Wherever possible, Notice of Intent to film should be given after initial location reconnaissance and at least one week before filming commences.

7.10 The Kent Film Office requires at least two weeks notice of any filming on the highway or filming requiring special permits from the date it receives the applicants' documentation.

Section 8: Decision Making Process

8.1 As the main point of contact, the Kent Film Office is responsible for agreeing the charge with the customer, checking availability of the site and securing the relevant permissions from the landowner, checking appropriate levels of Public Liability Insurance and relevant risk assessments are in place, and finally for granting a filming permit by way of permission.

Shepway District Council – Approval to use Council land

8.2 In determining whether or not the Council will grant permission to film on council land, the following checks will need to be made:

8.3 Land Ownership – Property services will need to carry out a property search to confirm that the land is owned by Shepway District Council. If it is not, then

the applicant will be referred to the relevant land owner where this can be determined or back to the Kent Film Office where it cannot.

Applicants are able to make their own enquiries via the Land Registry but there is a small fee (£6 at the time of writing) to determine who owns a piece of land. <http://www.landregistry.gov.uk/public/property-ownership>

- 8.4 Any filming request for Folkestone Parks & Pleasure Ground Charity land would require permission from the charity trustees which would be managed internally by SDC. .
- 8.5 Legal Covenants – In some instances there are restrictions on what activity can be carried out on a particular piece of land, which may restrict or prevent filming from taking place. In conducting their searches, Property Services will determine whether or not any covenants apply.
- 8.6 Insurance – The council’s Insurance Officer will check the applicant’s Public Liability Insurance and ensure that the council is granted indemnity when filming is taking place on council land.
- 8.7 Health and Safety – Details of the application to film including the appropriate risk assessments will be passed to the council’s Corporate Health and Safety Officer. This person will be asked to reassure himself/herself that filming presents no significant health and safety risk to the public.
- 8.8 Reputation Management – The council’s Communication Team will be asked to confirm that filming presents no reputational risk to either the council or the district.
- 8.9 The process of seeking the relevant approvals from different council services will be co-ordinated by the council’s Policy & Engagement Team. The decision to grant permission to film on Council land will be taken by the council’s Policy & Engagement Manager or the Community Development Officer.

Shepway District Council – Other decisions

- 8.10 Further to the decisions which are needed in order to grant permission to film on council land, applicants will separately need to contact the following council services for other permissions relating to filming in the district. The applicant should deal directly with the service in question.
- 8.11 Parking Services – detailed parking plans need to be agreed with the council’s Parking Manager; in particular for on-street parking for technical vehicles, equipment and bays to be reserved for continuity. Prior agreement must be secured from the Film Contact to block a footway for filming.
- 8.12 Planning Services – Planning permission may be required for some temporary structures. Queries should be directed to the council’s Planning Department.
- 8.13 Environmental Health – Any filming which is likely to create a lot of noise or require filming at night should be referred to the council’s Environmental

Health Team – Pollution and Housing so that they can determine whether such filming is appropriate and what restrictions may be required.

Decisions taken by other agencies

- 8.14 Applicants seeking to film in the district may require additional permissions or filming permits, which are the responsibility of other landowners or local agencies. These are summarised in Appendix C: Summary of the Kent A-Z filming guidelines.
- 8.15 This policy makes clear it is the responsibility of the applicant to seek these permissions and not Shepway District Council. The applicant is expected to deal directly with the relevant agency and not via the council.
- 8.16 Shepway District Council will consent to sharing information on its Basecamp system to help disseminate relevant documents to appropriate local agencies to help expedite the process but it takes no responsibility for chasing up information or guaranteeing a response.

Section 9: Granting Permission to Film or Take Photographs

- 9.1 Providing permission to film is granted by email by the Kent Film Office once the land owner has approved the filming request.
- 9.2 Shepway District Council will issue a signed Location Release Form (see Appendix B) once it has conducted the necessary checks and is satisfied that filming can take place on council land. This form will be signed by the Community Development Manager or Head of Communities.
- 9.3 Liability for any filming undertaken on council land is the sole responsibility of the production company and its employees or the individual who has sought permission to film.
- 9.4 The film maker or photographer will need to seek permission from other agencies for other permits that may be required to enable filming to take place. This can be supported by the Kent Film Office. Shepway District Council assumes no responsibility to secure the relevant permissions from other parties including Kent Police, Kent Emergency Services and Kent Highways Authority.
- 9.5 No filming activity should take place until permissions have been granted by all the relevant parties. The production company must ensure that all those affected by filming have been consulted and informed of arrangements.
- 9.6 In granting permission to a film maker or photographer to film on council land, the Kent Film Office asks the company or individual to abide with both the [KFP Code of Practice](#) and the [Kent A-Z Filming Guidelines](#).
- 9.7 Although the Code of Practice itself is voluntary, it incorporates references to statutory obligations to which all those engaged in filming must adhere. The Kent A-Z Filming Guidelines also provides an overview of statutory obligations.

Section 10: Refusing permission to film or take photographs

- 10.1 Shepway District Council aims to accommodate suitable filming requests that do not disrupt or inhibit public use of an area; conflict or be likely to conflict with other uses of the land/property; or endanger the public.
- 10.2 However, Shepway District Council reserves the right to refuse an application to film or take photographs on council land or property if one or more of the following conditions apply:
- 10.3 Public Liability Insurance – The applicant cannot provide evidence to substantiate that they have a minimum Public Liability Insurance of £5 million.
- 10.4 Health and Safety concerns – One or more members of the district’s Safety Advisory Group (SAG) express concerns that there is a risk to public safety, which has not been addressed by the applicant in their risk management plan.
- 10.5 Terms and conditions – The applicant is unable to fulfil the terms and conditions as set out in the Location Release Form.
- 10.6 Code of conduct – The council is not reassured that the applicant will be able to meet the conditions set out in either the Kent Code of Practice or the Kent A-Z Filming Guidelines.
- 10.7 Reputation – The council has concerns that the nature of the filming or photography on its land or property will negatively impact upon the reputation of the council or the district.
- 10.8 Failure to pay – The applicant is unable to pay the agreed fee in advance to film or take photographs on council land or in council property.
- 10.9 The decision to refuse an application will be taken by the council’s Policy and Engagement Manager or Community Development Officer in consultation with the relevant Cabinet Member.

Section 11: Notifications

- 11.1 All parties who intend to film in Shepway must ensure that all those affected by filming have been consulted and informed of arrangements.
- 11.2 Kent Film Office and the relevant partner agencies (including police and local authority departments) must be consulted on all filming activity due to take place on public or private property in Shepway where it impacts on public areas.
- 11.3 Emergency Services must be notified of and consulted on all filming activity and access for emergency vehicles must always be maintained during location filming.

Section 12: Charging Schedule

- 12.1 All charges will be agreed and an agreement signed in advance of filming.
- 12.2 Shepway District Council has approved the following charging schedule for filming on council land:

Type of Request	Charge
Student / Charities / News Crews	Free
Commercial Filming – Small Crew (Upto ten people & small tripod)	Upto £500 per day or £85 per hour
Commercial Filming – Medium Crew (Upto 40 people, kit & trucks)	Upto £2,000 per day or £340 per hour
Commercial Filming – Large Crew (More than 40 people, kit & trucks)	Upto £3,000 per day or £510 per hour

- 12.3 The charges set out in the table are those agreed for the financial year 2015/16. For an up-to-date charging schedule, please refer to Shepway District Councils [published fees and charges](#) on the council website.
- 12.4 Charges do not apply for the following individuals and organisations and no commission will therefore be levied by the Kent Film Office:
- Students creating films as part of their academic studies;
 - Registered charities or community groups;
 - Broadcasters generating news reports.
- 12.5 Students – for the purpose of this policy, a student is defined as someone who is in full or part-time education with an approved college or university and is undertaking filming as part of their course. In order to be able to film, the student(s) must be covered by insurance provided by their college or university.
- 12.6 Charities – no charge will apply to organisations that are registered charities with the Charity Commission.
- 12.7 Community groups – no charge will apply to local voluntary and community groups. In order to qualify, an organisation must be based in Kent, must be a formally constituted body, non political and should be a non profit making body.
- 12.8 News reports – no charge will apply to broadcasters or organisations filming a brief account or report of an event or news item that is occurring in the district.
- 12.9 The following services may incur additional charges at cost:
- provision vehicles to wet down the street;

- refuse collection;
- removal of street furniture;
- suspension of parking meters and any other parking provisions; and
- any damage caused by a production company to the carriageway, footway or street furniture.

12.10 Filming shoots which are undertaken without the appropriate permissions or payments will result in the individual or organisations being escorted off council land. Any filming undertaken without signed agreement may incur extra charges.

Section 13: Payments

- 13.1 Payments for filming permits are taken in advance by the Kent Film Office.
- 13.2 The Kent Film Office will collect payment on behalf of Shepway District Council in line with the Film Charging Schedule set out in Section 12 of this policy.
- 13.3 The Kent Film Office will hold all payments accruing to Shepway District Council. The council invoice the Kent Film Office once per year during March for the charges that have been made, less 10% as a management fee to the Kent Film Office.

Section 14: Cancellation and Refunds

- 14.1 In the event of the Company cancelling the hire of the Location less than seven days, but more than 48 hours before commencement of the Initial Use Period or Further Use Period (as applicable), a cancellation fee equivalent to 20% of the outstanding Fees shall be payable. In the event of the Company cancelling the hire of the Location less than 48 hours before commencement of the Initial Use Period or Further Use Period (as applicable), a cancellation fee equivalent to 50% of the outstanding Fees shall be payable.
- 14.2 Should the filming need to be cancelled due to weather we will look to re-accommodate the activity on another date. If not rescheduled, the cancellation policy point outlined in 14.1 will be implemented.

Section 15: Code of Conduct

- 15.1 Film-makers and photographers are responsible for their own conduct and the conduct of their staff and crew during shoots. All individuals and organisations obtaining permission to film or take photographs on Shepway District Council land are asked to abide by the [Kent Code of Practice](#).
- 15.2 All filmmakers and photographers will be expected to abide by any site rules or by-laws relating to a specific location.
- 15.3 All individuals and organisations obtaining permission to film or take photographs on Shepway District Council land are asked to abide by the rules and regulations around location filming, as set out in the Kent Film Office [online A-Z Filming Guidelines](#).

- 15.4 The guidelines provide an overview of the filming requirements and legislative framework which apply when filming in the district.
- 15.5 The A-Z Filming Guidelines are intended as a guide to the requirements of filming in Kent. The document is not exhaustive and the Production must enter into a specific agreement before filming can be started. The Kent Film Office accepts no liability for loss, financial or otherwise, alleged to have been incurred as a result of these guidelines.
- 15.6 The A-Z Filming Guidelines along with other documentation associated with the filming forms part of the agreement to film.

Section 16: Copyright

- 16.1 The film company or individual shall own the entire copyright and all other rights of every kind in and to all film and audio and audio-visual recordings and photographs on council land.
- 16.2 The company or individual shall have the right to assign licence and sub-licence the whole or any part of their copyright pursuant to this agreement to any company or individual.
- 16.3 Anyone carrying out commercial filming or photography on Shepway District Council land without permission will not own the copyright of their films and photographs which will pass to the council.

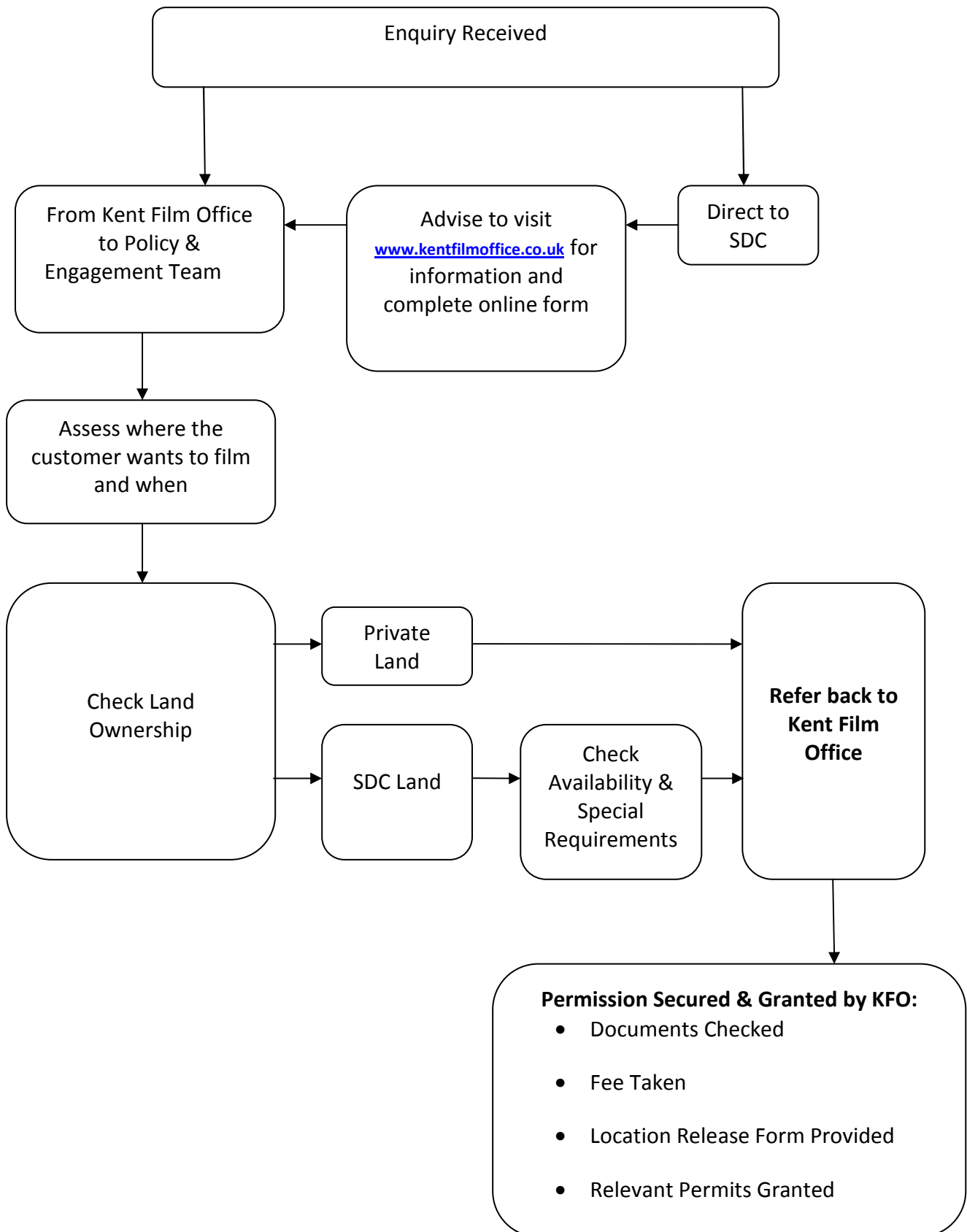
Section 17: Useful Contacts

- 17.1 Kent Film Office
www.kent.gov.uk/filmoffice
Tel: 0300 333 5656
- 17.2 Shepway District Council Communications Team
communications@shepway.gov.uk
Tel: 01303 853000
- 17.3 Shepway District Council Policy & Engagement Team
policy@shepway.gov.uk
Tel: 01303 853000

Section 18: Review

- 18.1 This policy will be reviewed on an annual basis. Minor alterations to the policy will be approved by Shepway District Council's Corporate Director with responsibility for communications in consultation with the Cabinet Member responsible for the service. Any substantive alterations to the content of the policy will be approved by Cabinet.
- 18.2 An Equality Impact Assessment will be completed if there is a major revision to this policy, which requires it to go to Cabinet in line with the council's statutory duties as set out in the Equality Act 2010.

Filming Photography Requests - Recommended Process



Location Release Form

(1) Shepway District Council, Civic Centre, Castle Hill Avenue, Folkestone, Kent CT20 2QY
("the Council")

(2) [] of [] ("the
Company")

(3) [] ("the Production")

(4) [] ("the Property" or location)

This Location Release confirms the agreement between the Council and the Company pursuant to which the Council has agreed to make available to the Company the Property.

1. The Property shall be made available to the Company for the purpose of filming [exterior and/or interior] scenes in connection with the Production on [] ("the Release Period").
2. The Council agrees to the provision of access for all personnel, props, equipment, vehicles and artists required by the Company for use in connection with the making of the Production.
3. The Company shall be entitled to make such use of the Property they may require during the Release Period but shall not make any alteration to the Property [and shall represent the Property under its proper name *use as applicable*]. During the Release Period the Company shall have use of the Property (being neither sole nor exclusive use).
4. The Company shall be entitled to incorporate all or any part of films photographs and recordings whether audio or audio-visual made in or about the Property in the Production either as a sequence or on their own or preceded or interlaced or followed by such other scenes as the Company may require in their sole discretion.
5. The Company shall own the entire copyright and all other rights of every kind in and to all film and audio and audio-visual recordings and photographs made in or about the Property including without prejudice to the generality of the above the irrevocable right to use or not to use any and all such film and audio and audio-visual recordings and photographs of the Property [together with the real name of the Property *use as applicable*] in or in connection with the Production and to exploit the Production by any manner or means now known or in the future invented in any and all media throughout the world for the full period of copyright.
6. The Company shall have the right to assign licence and sub-licence the whole or any part of their rights pursuant to this agreement to any company or individual.

7. The Company shall be liable for and shall indemnify the Council against any and all liabilities, actions, claims, proceedings, costs, losses or expenses (including any claims of any adjoining owners or third parties) resulting from the act, omission or default of the Company, its servants, agents or contractors arising under any statute or at common law in respect of (i) damage to the Property or its contents, (ii) damage to any property, real or personal, or (iii) any injury to persons, (including injury resulting in death) in each case arising directly or indirectly out of or in the course of or in connection with the use of the Property by the Company or any failure by the Company or its servants, agents or contractors to comply with the obligations of the Company contained or referred to in this agreement.
8. The Company agree not to act or permit any act or to omit to act in any way that may cause nuisance to any persons lawfully using the Property or any of the owners or occupiers of land adjoining the Property.
9. The Company shall comply with all statutes, rules and regulations (including all relevant health and safety requirements) applicable to its use of the Property.
10. The Company shall comply with the [Kent Code of Practice](#). And the [Kent A-Z Filming Guidelines](#).
11. The Company shall have public liability insurance for not less than Five million pounds (£5,000,000) covering the Release Period evidence of which has been provided in advance of entering in to this Agreement. The Council will notify the Company in writing within five working days of any claim coming to the Council's attention.
12. In consideration of the rights granted to the Company under this Agreement the Company undertake to pay to the Council the sum £[] on receipt of the invoice raised by Shepway District Council and any other costs to third parties involved.
13. This Agreement shall be governed by and construed in accordance with the law of England and Wales the courts of which shall be courts of competent jurisdiction.

Signed: _____

Signed by: _____

Position: _____ on behalf of the Company

Signed: _____

Signed by: _____

Position: _____ on behalf of the Council

Summary of the Kent A-Z Filming Guidelines

<http://kentfilloffice.co.uk/about-us/a-z-guidelines/>

1. The guidelines apply to:
 - Production, which refers to a Producer, Location Manager, Production Company or Production Manager or any authorised officer or employee of such a company or its agents; and
 - Film Contact which denotes the person appointed by any given organisation, agency, private company, charity, the Kent Film Office or local authority to manage the filming on their behalf.
2. Animals – The Production agrees to follow the Health and Safety Executive guidance sheets on working with animals including dangerous animals.
3. Cabling – The Production shall agree in advance with the Film Contact regarding the appropriate use of cables, the safe laying of agreed cabling and the suitability of attaching cables to street furniture, trees, historic properties and any other relevant items.
4. Camera track – All matters relating to tracking shall be discussed and agreed with the Film Contact in advance of filming. Any obstructions or alternative footways planned must be cleared by the Film Contact. Tracking boards may be required in certain circumstances.
5. Catering and the removal of litter – Catering arrangements and the positioning of catering vehicles shall be agreed in advance with the Production and Film Contact. The Production shall ensure that no dirty water or food waste be deposited in rainwater gullies and that caterers use a dirty water bowser where possible. It is the responsibility of the Production to ensure that all litter is removed before the end of filming each day.
6. Charging – All charges will be agreed, and an agreement signed, in advance of filming. Some services may incur an additional charge.
7. Child Performers – The Production must make adequate provision for the health & welfare needs of any children employed when filming. Any filming involving the employment of children (whether paid or unpaid) must be specifically agreed in advance of filming through Kent County Council's Education Welfare service.
8. Coning – The Production acknowledges that cones have no legal force to secure parking and their use shall be agreed in advance with the highways authority, the District Council responsible for parking enforcement and/or the police.
9. Consultation – Successful filming relies upon the local residents and business receiving adequate notice where appropriate. Letters should be sent to local residents and businesses outlining fully the intended filming.
10. Council property – Whenever filming on Council-owned property e.g. in parks, schools, town halls etc, the Production shall negotiate a license with the Kent Film Office.

11. Cranes, camera cranes and aerial platforms – Permission will be granted by the Kent Film Office. Relevant Health and Safety checks, method statements and risk assessments must be in place.
12. Drones – Filming with drones requires permission to be issued by the Civil Aviation Authority.
13. Firearms – No firearms of any kind, including prop or replica firearms, shall be used without agreement in advance between the Production and the police and/or appropriate emergency service and the Film Contact,
14. First Aid – By law, the production is responsible for providing suitable first-aid equipment, facilities and personnel to enable first aid to be given to employees if they are injured or become ill during filming.
15. Health and Safety – The Production is bound by law to have health and safety assistance. In the event that the Production involves less than five people, the Kent Film Office should be contacted for advice. Failure to follow appropriate Health & Safety procedure may invalidate any insurance.
16. High visibility clothing and personal safety equipment – The Production shall ensure that the appropriate level of safety clothing is worn for the safety of the crew when filming on the public highway and in the public domain.
17. Highways: Traffic Management – The Production shall liaise with the relevant Film Contact when wishing to use public highways and footpaths. Any traffic management measures put in place must also be agreed by Kent Police. Kent County Council has the powers to close sections of the public highway and public rights of way for the purposes of filming. The legislation allows for varying methods to achieve this, depending on the location requested and the type and extent of the filming proposed.
18. Highways: Filming from moving vehicles – The Production shall discuss and agree with the Film Contact and any other relevant authorities when filming from a moving vehicle on a public road. Please note this section refers to but is not limited to filming using low loaders, tracking vehicles and a-frames.
19. Historic Buildings and Conservation Areas – Special attention and care must be taken when a production is planning to use any historic buildings, heritage sites or conservation areas. Access by the general public may be a requirement by law.
20. Indemnity and Insurance – The Production shall obtain and produce a copy of the relevant insurance needed before shooting commences. The Production will be expected to indemnify the local authority, its officers and employees against any claims or proceedings arising directly from any injury to persons or damage to property as a result of the activities of the Production. The need for insurance is governed by statutory obligation.
21. Lighting, Scaffolding and Generators – The Production shall agree the positioning and safety of equipment in advance with the Film Contact and/or designated

authority. An appropriate degree of flexibility may be agreed providing it is within the parameters of Health and Safety legislation.

22. Night filming – The Production shall consider and consult with the Film Contact, local residents and businesses in the planning process. Any activity, including filming, is subject to the Environmental Protection Act 1990 regarding noise and nuisance. A legitimate complaint about noise or nuisance from a resident to the local authority can result in the termination of the shoot and the confiscation of equipment. Excessive noise, or filming, rigging or de-rigging involving noise outside agreed times, will result in the termination of filming. All agreed fees will remain chargeable and excess fees may be charged.
23. Noise and nuisance – Use of audio playback and megaphones shall only be permitted following agreement between the Production and the Film Contact.
24. Parking – The Production shall submit detailed parking plans to be discussed and agreed with the Film Contact and Parking Manager at the relevant District Council; in particular for on-street parking for technical vehicles, equipment and bays to be reserved for continuity. The Production shall make every effort to find off street parking for all facilities vehicles. It is inadvisable to enter into binding contracts or assume that a location is viable until parking requirements have been agreed with the Film Contact. The Production is responsible for the adherence to parking or vehicular movement agreements made with the Film Contact. Resident's bays are rarely suspended and "Disabled bays" (whether for a designated person or for disabled drivers in general) will not be suspended where an alternative exists and only in very special circumstances where one does not. Film vehicles will not be allowed to park in such a way that the passage of pedestrians or vehicular traffic is blocked or impeded or that emergency access is restricted or denied. Prior agreement must be secured from the Film Contact to block a footway for filming.
25. Planning – Planning permission may be required for some temporary structures.
26. Police and Emergency Services – The Production shall inform the police and/or appropriate emergency service of all proposed filming on the street and/or in a public space in liaison with the Film Contact.
27. Props – Any props used during the shoot will be removed and the area made good.
28. Public Liability Insurance – The Production will provide a copy of Public Liability Insurance for all location filming and agree to indemnify the location owner or representative against any claims arising as a direct result of the activities of the Production.
29. Residents and Businesses – The Production shall consider and consult with local residents and businesses that may be affected by their filming prior to and during the shoot.
30. Risk Assessments – Risk Assessments are required by the self-employed and by any company with employees to be able to satisfy their insurance provisions and statutory obligations to employees and those affected by their actions. Additional

location specific Risk Assessments are also required depending on the type and nature of filming.

31. Rivers and waterways – When planning to film on any waterway, the Production will liaise with the Film Contact from the relevant governing body as early as possible. Specific health and safety measures will apply.
32. Road markings and signs – The temporary painting-out or disguising of road markings, lines or other road signs is subject to agreement in advance with the Film Contact and, if necessary the Highways Authority. The Production shall also notify local Police in advance of any such undertaking. The Production agrees to fully reinstate any alterations to road markings to the satisfaction of the Highways Authority and when obliged to use official contractors shall pay cost price.
33. Security – The Security Industry Authority (SIA) is the organisation responsible for regulating the private security industry in the UK. All production hired security must be SIA licensed.
34. Signage – All signs directing crew to specific locations must be erected by a contractor approved by relevant Highways Authority and must be taken down after filming. Unless approved by the relevant Highways Authority, unit direction signage on the highway is illegal. The Production shall consult the Film Contact before attaching all other non-public highways signage.
35. Sound playback – The filming of artists to sound play-back can only be undertaken with the prior agreement from the Film Contact, at any time.
36. Street Signs / Street Furniture / Street Lighting – The removal of street furniture, including street signs, and the adjustment of street lighting shall be subject to agreement in advance between the Film Contact and, if necessary, the Highways Authority. All agreed work shall normally be carried out by the Highways Authority and charged to the Production at cost. The Production shall agree to cover these costs and those of re-instatement. Minor work by the Production may be permissible with prior permission and any damage or reinstatement costs would have to be met by the Production.
37. Stunts/Special Effects/Pyrotechnics – The Production shall notify the relevant Film Contact or relevant third party whenever stunts are to be used. A full method statement and risk assessment may be required.

Equality Impact Assessment

As this is a new council policy, it will require a stage one Equality Impact Assessment. There may be some issues relating to:

- Ensuring the filming permissions process is open and accessible to all groups (e.g. key documents are available in easy read formats or can be available in languages other than English if required)
- Charging for groups with protected characteristics although they are likely to be non-commercial and therefore exempt from charges
- Additional permissions for certain types of activity – e.g. filming involving children. This is covered by the Code of Practice and Filming Guidelines.
- Minimising the negative impacts of filming on individuals and communities. Again, this is covered by the Code of Practice and Filming Guidelines.

**Partnership Agreement
between
Shepway District Council
and
The Kent Film Office**

This agreement forms the basis of a joint working relationship between Shepway District Council and the Kent Film Office to deliver filming and photography shoots across the District of Shepway.

As part of this Partnership, Shepway District Council will:

Nominate the Community Development Team as the team to liaise directly and coordinate internal information for the Kent Film Office.

Be supportive of the Kent Film Office in developing the Shepway offer to the film industry which should be seen to compliment the County and Regional offer.

Liaise fully with the Kent Film Office to promote and recommend suitable locations for filming in Shepway in order to secure filming and photography shoots in the District.

Support the Kent Film Office to become the first point of call for all productions wishing to film in Shepway, allowing them to co-ordinate the process of obtaining permissions from local agencies.

Use one uniform filming form that has been developed in conjunction with all the district and borough councils to ease the amount of administration a production company is expected to complete when engaging in cross border filming in Kent and thus encourage an increase in filming opportunities for the county.

Share data with the Kent Film Office regarding the number of days filmed in an area, the income generated, and the nature of the filming. This information will be collated by the Kent Film office and used to demonstrate the economic benefits of filming in Kent.

As part of this Partnership, the Kent Film Office will:

Seek to maximise inward investment in the Shepway economy from film and television production.

Seek to promote the district in the best possible manner through filming and photography to encourage visitors and boost tourism.

Ensure filming and photography is conducted in a safe manner and the public's health and safety is protected at all times, ensuring that adequate Public Liability Insurances and Risk Assessments are in place.

Ensure the principles set out in the Kent A-Z Filming Guidelines are adhered to.

Ensure the Location Release Form is completed for filming and photography being conducted on Shepway land.

Minimise any disruptive effect filming and photography may have on others.

Financial Arrangements

The Kent Film Office will collect payment on behalf of Shepway District Council in line with the Film Charging Schedule set out in Section 12 of the Filming & Photography Policy.

The Kent Film Office will hold all payments accruing to Shepway District Council.

The Council will invoice the Kent Film Office once per year during March for the charges that have been made, less 10% as a management fee to the Kent Film Office.

This Agreement will remain in force until further notice, and will be reviewed on an annual basis. There shall be nothing to prevent either party from withdrawing from this agreement at any time through written agreement.

Actions by either Partner shall not imply legal responsibility for such actions by the other party, and there shall be no recourse to law by either party to enforce the provisions set out in this agreement.

Information shared within the terms of this Agreement shall be subject to normal requirements of the Freedom of Information Act 2000 and within the terms of the Data Protection Act 1998 including any exemptions.

Alistair Stewart
Chief Executive
Shepway District Council

David Cockburn
Head of Paid Service
Kent County Council

This Report will be made public on 14 July 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/15/14**

To: Cabinet
Date: 22 July 2015
Status: Non Key Decision
Head of service: Andy Jarrett – Head of Strategic Development Projects
Cabinet Member: Councillor David Monk – Leader of the Council

SUBJECT: Princes Parade Update

SUMMARY:

The report provides an update on the progress of the Princes Parade project. The report recommends that progress continues with a range of work streams.

REASONS FOR RECOMMENDATION:

Cabinet is asked to agree the recommendations set out below, in the context of proposals advanced by two developers for the redevelopment of the current swimming pool site in Hythe. Detailed evaluation is needed in order that the potential costs and benefits of such proposals can be assessed against the current project.

RECOMMENDATIONS:

1. To receive and note report C/15/14.
2. To note the update, accepting the findings of the ongoing work streams.
3. To request the Head of Strategic Development Projects prepare a report, for consideration by Cabinet in the Autumn, which provides a full and up to date assessment of delivery options for the community facilities in Hythe for the District.

1. Background and Context

- 1.1 The Princes Parade former municipal landfill waste site is approximately 7.2 hectares (17.9 acres) and is owned by the Council. It is approximately 1,250 metres long and varies in width between approximately 80 metres at the eastern end to 180 metres at the western end. The site is located between Princes Parade and the Hythe Royal Military Canal and is abutted by a children's play area to the east and the Hotel Imperial Golf to the west (see map 1). The landfill operation took place during the 1960s and 1970s. In 2002/03 additional material was placed on the site as part of a programme to de-silt the adjoining Royal Military Canal.
- 1.2 There are currently two site specific planning policies that relate to the site, these being 'saved policies' Policy LR9 and Policy TM8 of the Shepway District Local Plan Review (see appendix 1).

2. Overview of Project Development to Date

- 2.1 In December 2012 Cabinet considered report C/12/52 and requested that officers continue with the development of a project based on the following:
- An allocation for residential use in the Shepway Site Allocation DPD;
 - An improved setting for the Royal Military Canal;
 - A new public park;
 - A new water sports facility;
 - Enhanced promenade and beach for public use;
 - A replacement public swimming pool; and
 - The relocation of Seabrook Primary School.
- 2.2 Also in December 2012 Cabinet considered a separate report (C/12/51) that set out options for the redevelopment of Hythe Swimming Pool based on a feasibility study undertaken by Strategic Leisure.
- 2.3 Three potential sites were looked at as potential options for a new pool site within a 2½ miles radius of the existing pool, as set out below, on the basis of those sites being either owned by the Council or available to the Council at no cost.
- The current pool site at South Road, Hythe;
 - Princes Parade between Battery Point and the golf course adjoining the Hythe Imperial Hotel; and
 - The land identified and available at Nickoll's Quarry.
- 2.4 In addition the key drivers identified for the pool scheme were:
- To release the Council from an existing maintenance liability;
 - To be cost neutral;
 - To reflect demand within the district; and
 - To secure the most appropriate site for a new pool and leisure facility.

- 2.5 Following consideration of the report by Strategic Leisure, Princes Parade was chosen as the site for the new facility with a detailed leisure facilities mix including a 1 x 6 lane 25m competition pool, 1 x 4 lane 20m teaching pool, 1 x 2 badminton court sized sports hall and 82 station gym. This site was chosen as the only site available that could deliver the required standard of leisure facilities within the required timescales.
- 2.6 A further report was considered by Cabinet on 23rd July 2013 (C/13/13) that included an update on public consultation activity and a revised project plan. This was followed by a report on 28th May 2014 (C/14/01) that considered the findings of a further report, by Strategic Leisure, on the costs and mix of the proposed leisure facility and detailed feasibility work undertaken by GVA including an analysis of the potential capital receipts to be derived from enabling residential development (both off site and on site).
- 2.7 Following consideration of this further information Cabinet agreed the following:

To endorse the revised facility model for a new swimming pool on Princes Parade as detailed in the report from Strategic Leisure. To endorse and adopt the principles contained in the feasibility analysis report from GVA.

Subject to the capital receipts from the linked development sites being allocated towards meeting the development costs of the project, the Council confirms, in its capacity as landowner, the following:

- a) The ARC enhanced model detailed in the report from Strategic Leisure is adopted as the Council's preferred model;*
- b) That a maximum of 36 town homes will be included in the scheme;*
- c) That the proposed new school and pool sites are adjoined in order to minimise infrastructure costs;*

That given the different views of Strategic Leisure and GVA on the most suitable location within the site for the proposed new pool and school, the local community is asked for views on whether the pool and school should be at the western end (adjoining the golf course) or eastern end (adjoining the existing play area) of Princes Parade.

- 2.8 Officers were instructed to report back on the progress of the project at the next appropriate stage.

3. Progress Report

- 3.1 Following the direction given by Cabinet in May 2014, various work streams have been established. A summary of the work is set out below.

A - Consultation on the Location of the Proposed Facilities

- 3.2 Consultation events related to the siting of the facilities on Princes Parade took place on 23rd May 2014 at Seabrook Church Hall and on 5th June

2014 at Hythe Sports Pavilion. Approximately 320 people attended the Hythe event and 170 people attended the Seabrook event.

- 3.3 A total of 239 questionnaires were completed with 72 people fully supporting the Council's plans, 58 offering general support and 106 opposing the scheme (3 people ticked the 'don't know' option). This means that 54% of people who expressed an opinion either fully or generally support the development plan for Princes Parade.
- 3.4 The exhibition material identified two potential sites for the pool and school on Princes Parade, and the public were asked for their views on whether they should be built at the western end (adjoining the golf course) or eastern end (adjoining the play area).
- 3.5 Opinions expressed by people at the exhibitions was divided with a total of 74 opting for the eastern option and 66 preferring the western end of the site. At the Seabrook event the preference was for the western end (33 votes to 29), while at Hythe the preference was for the eastern end for the pool and school (45 votes to 33).

B - Partnership Agreement with Kent County Council

- 3.6 An element of the Princes Parade scheme is the relocation of Seabrook Primary School from its current site on land fronting Seabrook Road to the Princes Parade site which has the capacity to accommodate a single form entry school, the current school being 0.5 form entry. To date this element of the project has been led by Shepway District Council but future delivery needs to be progressed clearly with KCC as project owner. Consequently a Partnership Agreement has been prepared for consideration by Kent County Council who have indicated that, before signing such an agreement, they require further up to date information relating to: (a) the level of contamination/ground conditions on site; and (b) financial viability considering the valuation of the 'enabling' sites/developments being:
 - Eversley Road Playing Field;
 - The existing Seabrook Primary School site;
 - The current Hythe Swimming Pool site at South Road; and
 - Land on the Princes Parade site (for up to 36 town homes).
- 3.7 In due course as the Agreement is signed it will be necessary for Kent County Council to confirm their involvement in the project through their own formally decision making processes. A timeline for this has yet to be received.

C - Assessment of the Current Ground Conditions

- 3.8 The last detailed assessment of contamination levels on the Princes Parade site was undertaken by Ground Solutions Group Limited in 2002. On the advice of the Council's retained consultant, Idom Merebrook, further investigation has been undertaken to provide current information on the ground conditions. The work comprised the following:

1. Review of historic maps and relevant data.
 2. The drilling of six to seven sampler boreholes across the site.
 3. Excavation of a number of trial pits.
 4. Chemical analysis of soil samples, groundwater water samples and surface water samples.
 5. One round of groundwater and ground gas monitoring.
 6. Full factual and interpretive geotechnical and environmental report allowing a preliminary remediation strategy to be prepared.
- 3.9 On-site investigations were undertaken on 17th and 18th June 2015 with the results being published in the autumn. Further more detailed investigation work will be required at the detailed design stage of the facilities.

D - Financial Viability - Further Valuation Work

- 3.10 Savills have been commissioned to undertake further valuation work that will allow current market conditions and development assumptions to be taken into account as well as meeting the requirements of Kent County Council. The work consists of the following:

A valuation of the land at Eversley Road based on the following:

- *A valuation based on a residential planning permission that is compliant with Shepway Core Strategy Local Plan Policy CSD1 (i.e. provides 30% affordable housing)*
- *A valuation based on a residential planning permission that contain no affordable housing requirement.*
- *An assessment of the existing land value in taking into account the current planning designation (Shepway District Local Plan Review policies LR12 and LR9)*

A valuation of the current Hythe Swimming Pool site at South Road, based on the following:

- *A valuation based on a residential planning permission that is compliant with Shepway Core Strategy Local Plan Policy CSD1 (i.e. provides 30% affordable housing)*
- *A valuation based on a residential planning permission that contain no affordable housing requirement.*

A valuation of the Seabrook Primary School site based on the following:

- *Land in ownership of The Canterbury Diocese and Shepway District Council.*
- *Land in ownership of The Canterbury Diocese and Shepway District plus the residential curtilage of 284 Seabrook Road.*

An assessment of the residual land value resulting from the provision of 36 town homes on land at Princes Parade, Seabrook (as agreed by SDC Cabinet in May 2014). Plus, on a equivalent site area,

consideration of whether a higher residual land value can be achieved based on an alternative residential type/mix.

3.11 The results will be published in the autumn.

E - Engagement with Historic England

3.12 Positive and on-going engagement with Historic England (formerly English Heritage) is an essential part of the development of the project, given the location of the site adjacent to a section of the Royal Military Canal, a scheduled ancient monument. Engagement to date so far has included:

- A site meeting on 14th August 2014 involving senior officers of Shepway District Council, Historic England officers and members of the Historic England Advisory Panel. In advance of this meeting the District Council commissioned a Heritage Statement by Lee Evans Partnership. Following the meeting a detailed response was received from Historic England. This is attached as appendix 2 along with subsequent correspondence from SDC.
- A meeting between Historic England and SDC officers on 7th January 2015.
- The submission of a representation in response to the Shepway Places and Policies Local Plan Issues and Options Consultation (extract attached as appendix 3).
- An agreement by Historic England to participate in a constructive manner with the work of the Princes Parade Officer Group.

3.13 The project has yet to be considered formally by the Historic England Advisory Panel and officers have expressed a number of significant concerns that relate to the general principle of development on the site. Whilst it is the aspiration of the District Council to reach an agreed position with Historic England that enhances the appearance, use and interpretation of the heritage assets on site, should this not be possible the Council will need to be mindful of the potential risk that this would pose to the process and timescale for the project, as set out in the risk section of the report.

F - Planning Considerations

3.14 The Shepway Places and Policies Local Plan Issues and Options Document consultation process ran from 29th January 2015 to 11th March 2015 (see report C/14/69). The document, that represents the first step in the production of the Places and Policies Local Plan, sought views on a range of topics as well as number of draft development management policy options (including Policy C9 related to Community Facilities in Hythe). Further detail on the progress of the Places and Policies Local Plan, will be considered by Cabinet in due course.

3.15 The development of the Places and Policies Preferred Options Document, the next stage in the development of the plan, provides the council with an opportunity to develop a detailed, site specific policy for the Princes Parade site that will help to facilitate the delivery of proposals that meet the identified needs of both Hythe and Shepway. The information gathered

through the series of tasks outlined in this report will be a valuable addition to the evidence base used to inform the development of such a policy.

G – The Shepway Asset Management Plan

- 3.16 The District Council will shortly be commencing a comprehensive review of its Asset Management Plan (AMP) in order to ensure that it is delivering effective strategic asset management.
- 3.17 It is Government policy that local authorities should dispose of surplus land wherever possible. In this context the Council's strategic asset management activity seeks to align its asset base with the organisation's corporate goals and objectives. It ensures that the land and buildings asset base of the organisation is optimally structured in the best corporate interest of the organisation concerned. The process will therefore seek to ensure that the council uses its assets in a way that optimises the delivery of the Shepway Corporate Plan 2013-18 and achieves best value in terms of the use of those assets.
- 3.18 The Princes Parade site is a significant asset within the ownership of the District Council and it will therefore be necessary to undertake a comprehensive review of both the current use and the potential future uses of that site as part of the process of developing the AMP. Similarly the AMP will also need to undertake a similar assessment for the existing Hythe Swimming Pool site in South Road, Hythe.

H - The Condition of Hythe Swimming Pool

- 3.19 Recent inspection work undertaken at Hythe has revealed that the pool requires extensive maintenance and repairs in order to ensure compliance with healthy and safety standards and to ensure that the pool is able to stay open in the short to medium term.
- 3.20 The cost of keeping the pool open is becoming increasingly prohibitive with actual maintenance spend over the period 2010/11 to 14/15 being £102,140 as compared to a budget of £54,070.
- 3.21 Essential reactive maintenance works are required during August 2015 with an estimated cost of approximately £100,000 necessitating a full closure period of 4 weeks. Due to the extent of ongoing works needed future pool closures are inevitable. Council officers are working with relevant community user groups to mitigate the impact of the closure period.
- 3.22 In terms of securing the medium term future of the current pool it has been estimated that it will be necessary for the Council to invest £1 million over a 2 to 5 year period. Investment over a 2 year period is likely to require the pool to be closed for a two month period during August and September 2016. The five year option will require the pool to be closed for between 2 and 4 weeks during August, throughout the five year period.

4. Next Steps

- 4.1 The situation regarding the Princes Parade project is, at present, very dynamic and linked to a number of work streams including the review of the asset management plan, the development of the Shepway Places and Policies Local Plan, and the ongoing essential maintenance issues related to the current Hythe Swimming Pool. Further key information is also due in relation to site contamination, land values, and the future commitment of Kent Council to deliver a new single form entry school.
- 4.2 Ongoing discussions with private sector developers, and discussions with Hythe Town Council will inform delivery options. A further report, for consideration by Cabinet in the Autumn, will provide a full and up to date assessment of the preferred option for delivering the community facilities for the district in Hythe.
- 4.3 It is anticipated that this work will help to develop and submit any future planning application and of any submission by the council as landowner in relation to the Places and Policies Local Plan preferred option stage.

5. RISK MANAGEMENT ISSUES

- 5.1 A summary of the perceived risks is as follows:

This Report is an up-date on progress. Project risks will be fully considered in a future report.

Legal Officer's Comments (AK)

There are no legal implications arising from this report. However, it will be necessary for the relevant officers to seek specific legal advice/guidance from SDC legal as discussions/negotiations progress in this matter.

Finance Officer's Comments (MF)

At this stage of the project there are no financial implications to be reported.

Diversities and Equalities Implications (DS)

There are no implications arising from this report.

6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officers prior to the meeting

Andy Jarrett – Head of Strategic Development Projects
Telephone: 07713081278
Email: andy.jarrett@shepway.gov.uk

APPENDICES

Appendix 1

Policy LR9 seeks to protect areas of open space of recreation, leisure or amenity value and states that a net loss of open space will only be permitted if :-

- a) sufficient alternative open space exists;
- b) development does not result in an unacceptable loss in local environmental quality;
- c) it is the best means of securing an improved or alternative recreational facility of at least equivalent community benefit having regard to any deficiencies in the locality.

Policy TM8 supports the granting of planning permission for recreational/community facilities on a parcel of and to the eastern end of the site subject to the following criteria:-

- a) The use should take advantage of, and enhance the appearance of, the Canal and the coastline;
- b) The majority of the site should remain open;
- c) Proposals should not adversely affect the character and setting of the Scheduled Ancient Monument;
- d) Built development will only be permitted if justified as essential to the use, and should be small scale, low rise and of a high quality design.

This report will be made public on 14 July 2015

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report number **C/15/15**

To: Cabinet
Date: 22 July 2015
Status: Non key decision
From: Amandeep Khroud, Head of Democratic Services & Law
Cabinet Member: Councillor Jennifer Hollingsbee, Deputy Leader for Shepway District Council

Subject: Land at Hawkinge Community Centre– Overage Provisions

Summary: This report asks members to consider a request by Edinburgh Land Estates (ELE) to forego the overage payment which will become due to the Council if ELE proceeds with the sale of a piece of land to Hawkinge Town Council (HTC). The land being sold is to the North West of Hawkinge Community Centre (the"Land"). The sale of the land and its purchase by HTC has already been the subject of two previous Cabinet reports which are referenced below.

Reasons for Recommendation:

The issue of the Land has been the subject of discussions between Hawkinge Town Council, Hawkinge Community Centre and Shepway District Council in recent months (please refer to reports C/14/66 and C/14/93).

Officers are mindful that there is no clear steer from Cabinet on the specific issue relating to the overage payment which will become due to the Council should the sale go ahead from ELE to HTC in the next months. Cabinet is asked to consider and make a decision on the matter, taking into account this report, the previous report and the recommendations below.

Recommendations:

1. To note report C/15/15.
2. To consider the options outlined in section 6 of this report.
3. Not to agree the request from ELE to forego the overage payment as the loss of income may adversely impact on the taxpayers of the district.

Background

In 2014 HTC asked Shepway District Council to assist them in purchasing a piece of land to the north west of the Hawkinge Community Centre from Edinburgh Land Estates (ELE).

On 17 December 2014 Cabinet considered report C/14/66 which outlined that an investment case could not at that time be made as:

- The land was originally sold by SDC for particular community purposes.
- There are various restrictions on the land protecting those purposes.
- The proposal did not meet value for money criteria for SDC investment.

The background to the original sale to ELE and restrictions SDC placed on the land following sale are set out in report C/14/66. The overage provisions are specifically referred to in clauses 2.6 & 2.7. Please see a copy of the report attached as appendix 1.

The following decision was made by Cabinet in relation to report C/14/66:

To ask officers to carry out further investigations into the issues raised by HTC with a view to seeking a positive response to their request, having regard to the financial implications for SDC and the protection of the interests of the taxpayers of the district.

In light of this decision a second report, C/14/93, was taken to Cabinet on 15 April 2015 (see appendix 2). Cabinet resolved the following:

1. To encourage HTC to apply for preferential borrowing from the public works loan board (PWLB), with expertise from SDC officers made available in support of an application; and
2. To agree, subject to the land owned by ELE being acquired by HTC, to transfer ownership of an adjoining buffer strip of land currently owned by SDC for consideration of £1 (with suitable overage clause) in order to allow a comprehensive master planning approach to be taken.

Recent Progress

In line with this decision, officers from both legal and finance teams have worked with HTC and we understand that funds have been approved from the PWLB for the purpose of HTC acquiring the land from ELE.

Conveyancing has started between HTC and ELE. SDC has been approached by ELE to remove the overage clause prior to the transfer taking place.

Legal Issues

The land was transferred to SDC in 1999, with a restriction on SDC not to use the land for anything other than for the construction and eventual use as public open space, a village hall and retail facilities, including a public

house and ancillary accommodation. The land was sold on to ELE with these restrictions still in place and they will still be in place when and if the land is sold on to HTC. They are restrictions that are registered in the charges register of the title to the land and they will therefore run with the land.

The Deed relating to overage, although linked to the restrictions above is a separate matter. The Deed is registered at the land registry which means that the Land Registry will not allow any sale of the land or charge to be registered unless SDC provides a certificate of consent. The certificate needs to state that the provisions of the overage Deed have been complied with.

As ELE is selling before the land is developed it will trigger the overage provisions and overage will become payable to SDC. Report C/14/93 sets out all of the triggers. If a triggering event occurs within the clawback period of the Overage Deed, SDC would be entitled to one half of a sum of money which would be calculated as follows:

Sum = Open Market Value – (Acquisition Cost + Permitted Deductions)

The clawback period ends in April 2017.

As beneficiary of the overage provisions SDC has been asked to forego the sum which will become due if this sale goes ahead. The estimated amount is in the region of £110,000 (subject to confirmation)

Options

There are a number of options available to Cabinet:

- A. Enforce the overage provisions on ELE. We understand from the legal representatives acting for ELE that this will deter the vendors from selling to HTC and consequently the land acquisition and associated masterplanning would not go ahead.
- B. Do not enforce the overage provisions against ELE by releasing ELE from them. This has potential financial consequences for the taxpayers in the district and goes against the steer from Cabinet in their decision on the report C/14/66.
- C. Consent to the current proposed sale to HTC without enforcing the overage covenants against ELE **but** ensure a restriction remains on the title so that HTC is then bound by an equivalent overage Deed.

In relation to the last bullet point immediately above, the overage Deed sets out a mechanism at clause 4.1 whereby ELE would have to ensure that any new buyer purchasing the land within the clawback period enters into a Deed of Covenant. The Deed of covenant is defined as:

“Deed of Covenant” a deed of covenant with SDC containing covenants in the same terms as those given by ELE in this Deed with such minor modifications as SDC may agree.

Therefore if Cabinet chooses not to enforce the overage provisions against ELE and ELE goes ahead with their sale to HTC, a Deed of Covenant will be prepared as stated above to be entered into by HTC and SDC. This will also be registered as a restriction at the land registry.

Legal/finance and other control/policy matters

Legal officer’s comments (BD)

This report author is the Head of Democratic Services and Law. The legal implications are set out in the body of the report.

Finance officer’s comments (LW)

The financial implications are addressed in the body of the report. If received, the overage payment will be accounted for as a capital receipt and, in itself, cannot be made available to the General Fund.

Diversities and equalities implications

There are no diversities and equalities implications arising out of this report.

Contact officer and background documents

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Amandeep Khroud -Tel: 01303 853253
Email: Amandeep.khroud@shepway.gov.uk

Background documents:

Cabinet Reports C/14/66; C/14/93

Appendices

1. Cabinet Report C/14/66
2. Cabinet Report C/14/93
3. Overage Deed dated 11 April 2007

This report will be made public on 9 December 2014

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **C/14/66**

To: Cabinet
Date: 17 December 2014
Status: Non key decision
Corporate Director: Susan Priest, Corporate Director - Operations
Cabinet Member: Councillor John Collier, Cabinet Member for Properties Management

SUBJECT: LAND AT HAWKINGE COMMUNITY CENTRE

SUMMARY:

This report explains the background to the request by Hawkinge Town Council for SDC to buy a piece of land to the North West of Hawkinge Community Centre, referred to in this report as "the land". This report sets out the planning, financial and legal implications of the proposal and seeks a decision from Cabinet.

REASONS FOR RECOMMENDATIONS:

The issue of the land has been the subject of discussion between Hawkinge Town Council, Hawkinge Community Centre and Shepway District Council in recent months. Officers at SDC have carried out a number of investigations into the proposal. CMT has also discussed the matter and considered the outcome of the various investigations. Cabinet is asked to consider and make a decision on the issue, taking into account this report and the recommendations below.

RECOMMENDATIONS:

1. To note Report C/14/66.
2. To agree with the recommendation of CMT not to agree the request of Hawkinge Town Council to buy the land or provide financial support to the Town Council, for the following reasons:
 - The land was originally sold by SDC for particular community purposes.
 - There are various restrictions on the land protecting those purposes.
 - The proposal does not meet value for money criteria for SDC
3. To authorise the Corporate Director for Operations reply to Hawkinge Town Council with the decision and reasons.

“ clawback period”: this was defined as a period of 10 years from 11 April 2007.

- 2.5 SDC concluded this agreement for two reasons: firstly to ensure the land was developed in line with its responsibilities under the 1999 agreement; secondly, SDC had entered into an agreement with the trustees of the Hawkinge Community Centre that provision of 2000m² of parking would be permanently made available on the land for use by visitors to the Community Centre. This agreement depressed the sale value of the land. SDC sold the land to Edinburgh Land Estates for £150,000. The overage provision was intended to claw back money in the event that the land was developed for anything other than community facilities, or was sold without development within the 10 year period.
- 2.6 Under the agreement if Edinburgh Land Estates builds anything other than a retail shop, church or pub on the land before 10 April 2017, it will have to pay SDC one half of the open market value (less acquisition costs and certain permitted deductions). Also, if Edinburgh Land Estates sells or leases the land before 10 April 2017 other than by a “permitted disposal”, i.e., if it sells the land *before* building a retail shop, church or pub on the land, it must pay SDC the same sum.
- 2.7 The calculation for the amount to be paid is set out in the overage agreement. However, on a market value for the land of £300,000, such a payment would be £72,500.

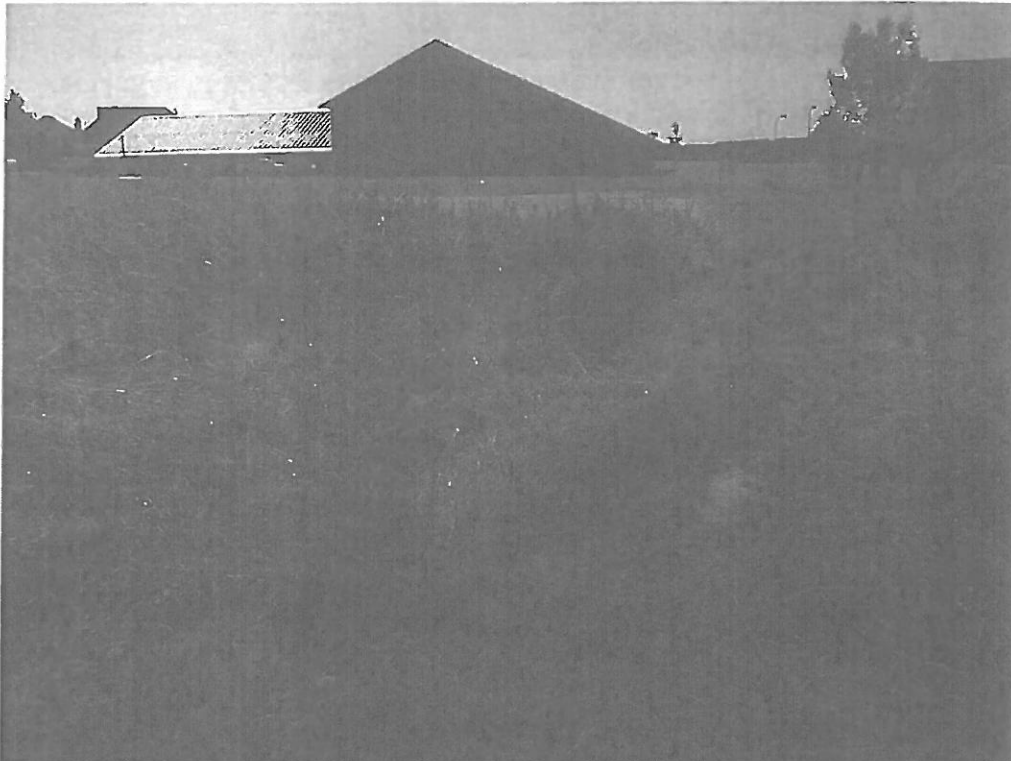
3. RECENT ISSUES

- 3.1 Edinburgh Land Estates recently made a planning application (September 2013) for a 610m² supermarket with 82 parking spaces. This application followed an earlier application in 2010 which was refused on the grounds of parking provision. The developer had appealed the first decision and the Planning Inspector dismissed the appeal but made comments which the developer took on board in the latest application. This application was considered by DC Committee in May 2014 with an officer recommendation for approval. The DC Committee refused the application again on parking grounds. It is likely that Edinburgh Estates will appeal that decision.
- 3.2 In its recent letter of 26 June 2014, Hawkinge Town Council asked if SDC would purchase the land back from Edinburgh Land Estates. The Town Council explained it had been in touch with Edinburgh Land Estates and the Company would accept a purchase price of £385,000, or a payment of £200,000, with the balance paid over 20 years. The Company was waiting to hear from the Town Council before lodging its planning appeal.
- 3.3 The Town Council asked if SDC would assist by buying back the land and contributing to the development of a master plan for the site, in conjunction with an adjoining site at 111 Canterbury Road. The Town Council said this would give two frontages to Canterbury Road, thereby extending the possibilities for the site.

6. CONCLUSIONS

- 6.1 The site investigation reports show that development of the land as part of the HRA proposals is not financially viable for SDC. The industry standard value for money cost is £1500 per m2.
- 6.2 The site is bound by restrictions, both under the 1999 sale, and the clawback provisions of the 2007 sale, which mean that any development of the site for anything other than retail, a church or a pub, will have serious financial implications for the owner and/or cause the owner to be in breach of covenants.
- 6.3 The "permitted disposal" provision also means that if the land is sold before it is developed for retail, a church or a pub, Edinburgh Land Estates has to pay SDC the clawback provision.
- 6.4 As beneficiary of the clawback provision, SDC could agree to waive it, either through purchasing the land itself from Edinburgh Land Estates or in an agreement with Hawkinge Town Council in its purchase of the land. However, this would not be a commercially sound agreement, taking into account the reasons why the agreement was put in place originally. In addition, and perhaps most importantly, any new owner would be in breach of the covenants on the land from the 1999 sale. A new owner would have to negotiate with the original beneficiary of the covenants to get them removed. This could be expensive and might involve an application to the Lands Tribunal. It is not an impossible task, but it is an uncertain one.
- 6.5 The requirement to provide parking on the site contributes to the cost of any development on the site.
- 6.6 There is a risk, if Edinburgh Land Estates wins its planning appeal, that costs might be awarded against SDC. However, we anticipate that costs of a successful appeal would be no more than approximately £10,000.
- 6.7 In reply to the claim that SDC purchased the land for the nominal payment of £1 and sold it to make a quick profit, the history of the land shows otherwise. SDC purchased the land to fulfil the requirements of an earlier section 106 agreement, to provide community facilities on the land (see 2.2 above). The sale of the land to Edinburgh Land Estates was intended to fulfil that obligation.
- 6.8 Finally, SDC originally sold the land to Edinburgh Land Estates for the community facilities to be built on the land. At the same time, SDC entered into an agreement with the Trustees of the Community Centre to provide parking on the land for the benefit of the community. The site appraisal and feasibility cost report show that there is no benefit to SDC in buying back the land.

**SHEPWAY DISTRICT COUNCIL
HRA NEW BUILD PROGRAMME**



**PRELIMINARY SITE APPRAISAL REPORT
SITE 97 – HAWKINGE COMMUNITY CENTRE
OVERFLOW CAR PARK, HAWKINGE**

CONFIDENTIAL

Property & Engineers
September 2014

EXECUTIVE SUMMARY

- 1.1 This report assesses the potential for developing a plot of land adjacent to Hawkinge Community Centre overflow car park in Hawkinge with social housing. It includes a development proposal based on the location, size and the type of housing adjacent to the site and in consideration of the housing needs for the area as advised by the Housing Strategy team.
- 1.2 The following key risks and issues associated with development on this site were identified:
- A restrictive covenant on the site prevents development other than its use as Public Open Space, a village hall with other community facilities and retail facilities including a public house and ancillary accommodation.
 - There is a restriction in the Proprietorship Register relating to an overage provision associated with the original sale of the site to Edinburgh Land Estates. Should Edinburgh Land Estates sell the land before 11 April 2017, then they must pay back to the Council a certain sum of money. There is a legal process as to how this sum is calculated and Notice procedures would need to be followed.
 - There is a legal requirement to provide and maintain within the site a large overflow car park of at least 2,000m² for free use by the Hawkinge Parish Council Trust.
 - More than 5 houses would require an affordable housing contribution if these were to be market houses.
 - Parts of the land are undesignated Open Space. The site is within an 'Area of Outstanding Natural Beauty' (AONB) and is identified as having archaeological potential. This later issue may require an archaeological evaluation and it is suggested that early contact be made with Ben Found at KCC to discuss this issue.
 - In accordance with the provisions of Shepway Core Strategy Policy SS3 (f) any proposal for the redevelopment of the Hawkinge and Rural's Children Centre should not result in the loss of this facility unless it can be demonstrated that there is no longer a need or that an alternative facility can be made available in a suitable location.
 - The site is in a Radon affected area which may require basic protection measures to be taken.
 - No enquiries have been undertaken to date with the utility service providers, so it is unknown whether or not there is sufficient capacity to supply a new development on this site.
 - It is unknown whether the existing foul sewer network is at capacity. In this event it would be unable to accommodate additional flows from a new development on this site. Therefore, connection could prove problematic and require either an innovative drainage design solution or improvement/reinforcement works to the existing sewer network. The cost of any such works would need to be met by the Council.

- Kent Historic Environment Record website hosted by KCC;
- The Council's Legal Services team;
- The Council's Planning Policy and Development Control teams; and
- Kent Highway Services.

2.3 It must be noted that additional issues to those identified and which may affect development may arise on further investigation.

SITE LOCATION AND DESCRIPTION

- 3.1 The majority of the site under consideration is in the ownership of Edinburgh Land Estates. A strip of the land alongside the west boundary is owned by the Council. The site forms part of the overflow car park to the adjacent Hawkinge Community Centre in Hawkinge.
- 3.2 The site consists of an area of unbound surfacing (which is the overflow car park) with the remaining parts of the land being overgrown. The overgrown areas are designated as 'Open Space (Amenity Greenspace)'.
- 3.3 The land is irregular in shape, although only the northern (triangular) part of the site is being considered as the potential development plot. This northern triangular land is 0.13 hectares in area and has been the subject to a number of previous planning applications, the most recent being an application by the current owners for a 610m² supermarket. This application which was refused on 22 May 2014.
- 3.4 Edinburgh Land Estates are currently unaware of the Council's interest in this site.
- 3.5 There is a legal undertaking requiring any developer seeking to build out the northern part of the site to provide a 2000m² surfaced car park for the community centre on the southern part of the site.
- 3.6 The site has reasonable transport links. The nearby Canterbury Road is on a man bus route, with access direct to Folkestone and Canterbury. Spitfire Way to the west of the site connects direct to the A20, thus providing links towards Ashford and Dover. The nearest train station is in Folkestone.
- 3.7 There are various facilities located within Hawkinge. These include local supermarkets (Lidl and Tesco Express), primary schools, a bank, a community centre, a dentist and a health centre.
- 3.8 A preliminary site walkover inspection of the site was undertaken on 24 July 2014. Photographs taken during this inspection are included within this report.

- 5.4 The second issue relates to a restriction in the Proprietorship Register relating to an overage provision associated with the original sale of the site to Edinburgh Land Estates. Should Edinburgh Land Estates sell the land before 11 April 2017, then they must pay back to the Council a certain sum of money. There is a legal process as to how this sum is calculated and Notice procedures would need to be followed.
- 5.5 Another issue affecting the development of the site as a whole is the necessity of providing a large overflow car park for the parking of private cars, in accordance with the following (abbreviated) legal conditions:
- 5.5.1 A right for the Trustees of Hawkinge Parish Council and all those authorised by them to access the land for the purposes of parking private cars owned by visitors to the Trust's land on a 'first come first served' basis in the parking area PROVIDED THAT;
- 5.5.2 The total area which shall be reserved for the parking of private cars on the Owner's land will never be less than 2,000 square metres;
- 5.5.3 The positioning of such designated parking spaces will provide convenient access to the Trust's Land;
- 5.5.4 The owner will make up the access way and the parking spaces and thereafter maintain the same without contribution from the Trustees;
- 5.5.5 No payment will be demanded by the owner in respect of the use of the land by the Trustees (or those authorised by the Trustees) for the parking of private cars.
- 5.6 Legal Services will be providing a further report on the remaining titles in due course. A revised version of this report will be issued once this further advice is received.
- 5.7 All adopted roads, verges and footpaths that consist of public highway are excluded from the Title.
- 5.8 A 'Local Authority Search' was undertaken for the site. This identified the following specific Planning Charges for the development site: -
- 5.9 The County of Kent (Advertisements – Areas of Special Control) Order No. 1 1956. Date of registration - 5 November 1973.
- 5.10 SH/1991/0282: Outline permission granted, subject to conditions, for erection of residential development, community facilities and retail facilities. Date of registration – 4 June 1992.

- 6.3 The Planning Policy and Development Control teams were consulted to establish their 'without commitment' initial view for development on this site. Their joint view was as follows: -
- 6.4 The principle of development is acceptable on this site provided that 2000m² of parking is provided for the community centre in accordance with the requirement placed on the sale of the land by the Council to Edinburgh Estates. Any scheme needs to show that parking can be provided to meet the needs of the community centre. Housing is an acceptable land use in this location, it being sustainable in relation to local shops, public transport and services. Any new buildings need to respect the outlook and privacy of adjoining buildings and two storeys is likely to be the maximum permissible height. More than 5 houses would require an affordable housing contribution if these were to be market houses. There may need to be an archaeological evaluation and it is suggested that early contact be made with Ben Found at KCC to discuss this issue. The submitted scheme indicates a possible solution but would need working up for more detailed evaluation. An application has also been submitted by Hawkinge Town Council that has nominated the car park as an asset of community value. This application is currently being considered by Shepway District Council.
- 6.5 In addition to the proposal for residential development on the Edinburgh Estates land, we have also been asked to comment on the potential for redeveloping the site of the current Hawkinge and Rural Children's Centre with three flats. This is a site owned by Shepway District Council. This facility currently provides a range of valuable services for parents and children in Hawkinge and the surrounding area. In accordance with the provisions of Shepway Core Strategy Policy SS3 (f) any development proposal should not result in the loss of this facility unless it can be demonstrated that there is no longer a need or that an alternative facility can be made available in a suitable location.

GROUND CONDITIONS

- 7.1 Geological information was derived from the GroundSure Geological report and from the 1:50,000 scale British Geological Survey (BGS) Geological mapping. This identifies the strata underlying the site as being Head (clay and silt) deposits with variable permeability. The bedrock is shown as being Chalk (Lewes Nodular Chalk Formation) which is of 'Very High' permeability. The nearest fault is located approximately 500m to the west of the site. The site is in a Radon affected area which may require basic protection measures to be taken. The site is not identified as being within a 'Latchgate' affected area.

- 8.4 There are no other environmental or ecological issues considered likely to affect development of the site.

STATUTORY UTILITIES

- 9.1 Gas – The nearest low pressure gas main supplies the adjacent community centre runs from Canterbury Road, under the car park to the village hall, supplies the community centre at the north west corner of the building. It is presumed that a connection can be made to this gas main
- 9.2 Water – The nearest Affinty Water main is shown within Heron Forstal Avenue and terminates at the mini-roundabout at the entrance to the community centre car park. It is presumed that a connection can be made to this water main.
- 9.3 Electricity – The nearest UK Power Networks main runs under the footway within Heron Forstal Avenue. A spur from this main supplies the community centre at the north west corner of the building. It is presumed, a connection can be made to this existing network.
- 9.4 Telephone and Broadband – The nearest BT cable runs under the footway within Heron Forstal Avenue. A spur from this main supplies the community centre at the north west corner of the building. It is presumed a connection can be made to this network. There are no fibre optic cables in the area.
- 9.5 No enquiries have been undertaken with the above service providers at present to establish whether or not there is sufficient capacity to supply a new development on this site.
- 9.6 All new connections to services will be subject to obtaining the necessary consents and will require liaison with the relevant service providers.

DRAINAGE

- 10.1 A public foul sewer is located within Heron Forstal Avenue. Information on Atlas indicates this to be approximately 2m deep where it crosses under the roundabout adjacent to the site entrance. Therefore, a gravity connection may be achievable. In addition, a public foul sewer crosses under the rear gardens of the properties to the east of the site. Information on Atlas indicates this to be approximately 1.2m deep.
- 10.2 It is unknown whether or not there is sufficient capacity within this existing sewer to accommodate the additional flow from a new

- 12.2 Preliminary highway related comments were sought from Kent County Council (KCC), which are based on the development option shown included within this report. Their advice is as follows: -
- 12.3 The obligation, as I understand, is a legal one included as part of the land sale between SDC and the original buyer of the site, Edinburgh Estates. There is no planning requirement for this overflow car park as the original condition on the community centre was never discharged properly in order to provide the required overflow car park. There are however approximately 62 spaces in the overflow car park at the present and you should therefore seek to ensure that this level of car parking remains.
- 12.4 In terms of the parking standards, these will need to be in accordance with IGN3: Rural / Village and so 1½ spaces for the 2 bedroom dwelling and 2 spaces per dwelling for the 3 bedroom dwellings.
- 12.5 The dedicated parking area is acceptable as long as it meets minimum size requirements of 2.5 metres by 5.5 metres for each bay or 2.7 metres by 5.5 metres where the space is obstructed on one side.
- 12.6 The visitor car parking space can be in the existing overflow car park. Cycle storage will need to be provided at a rate of 1 space per bedroom for each dwelling.

PREVIOUS SITE USE AND TOPOGRAPHY

- 13.1 The land was situated in the north eastern part of the former Hawkinge Airfield, which was in use during WW2. There is the potential for the site to have been contaminated through this use. Testing for contamination should be undertaken as part of any site investigation for the design of foundations, hardstandings, soakaways etc. Also, in connection with its use during WW2, it is no known whether unexploded ordnance (UXO) surveys have been conducted.
- 13.2 The historic mapping has not identified any previous development on this site prior to its use as an airfield.
- 13.3 From the site visit, the site levels are reasonably flat so no significant earthworks to level the site or form access are considered necessary.
- 13.4 It is recommended that a topographic survey of the site be undertaken as this will assist with the detailed design of the finished levels.

cost of services through the whole life of the project from the feasibility through to completion.

- Client - 1%;
- Project management - 5%;
- Architecture - 8%;
- Civil and structural engineering - 3%;
- Mechanical and electrical engineering - 2%;
- Quantity surveying – 1%; and
- CDM Coordination – 1%

15.7 The allowance for these necessary services comes to a total of 21% of construction costs.

15.8 It is good project management practice to include a contingency allowance for unknown factors, design evolution and construction risks. At this early stage, an allowance of 10% added to all of the above figures is considered prudent.

15.9 Taking into account the total cost of all the additional services detailed above, the total approximate cost of developing the proposal shown for this site is detailed in Table 1. These figures are based on current prices. The rates in column four are based on a gross external floor area of 102m² for the 5 No. three bedroom dwellings and 86m² for the 1 No. two bedroom dwelling (both types are proposed for the site).

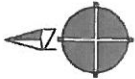
Table 1	Total Development Cost (£k)	Average cost per dwelling (£k)	Cost per square metre (£)
5 No. 2 storey, 3 bedroom (5 person) houses and 1 No. 2 bedroom (4 person) house	2,281	380	3,828

CAVEATS, ITEMS NOT INVESTIGATED AND REMAINING RISKS

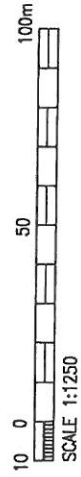
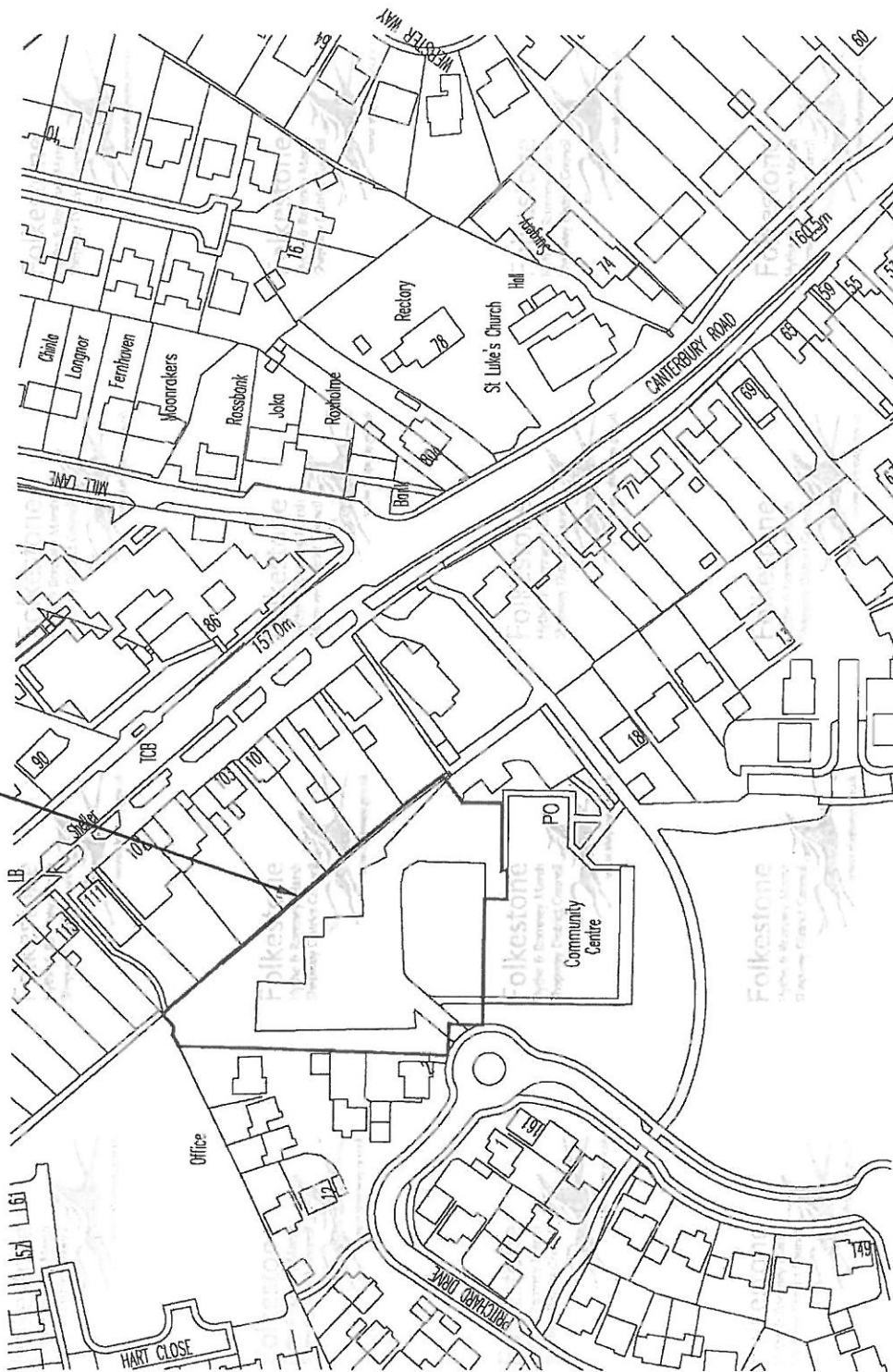
16.1 This site appraisal attempts to identify all the key risks and issues associated with the development of this site. Any specific risks and issues are as detailed above. However, it is possible, due to the limits of this investigation, that additional issues not yet established may still arise.

16.2 Separately, issues that may arise that are outside the Council's Control and could potentially halt development might include: -

- Local opposition to development. This is possible, especially from residents of nearby properties.



SITE LOCATION



 Folkstone Town & Country Planning Property and Engineers Civic Centre, Chisle Hill Avenue Folkstone, Kent, CT20 2DY Tel: 01803 653900 Fax: 01803 653933	Contains Ordnance Survey data © Crown copyright and database right 2014 Shropshire District Council 100016877	Project: HRA NEW BUILD PROGRAMME PRELIMINARY SITE APPRAISAL REPORT Drawing Title: SITE 97 - LAND AT HAWKINGE COMMUNITY CENTRE SITE LOCATION PLAN		ORIGINAL DRAWING SIZE A3 Designed: Drawing check: . Drawn: Approved: . Scale: 1 : 1250 Drawing Number: PT98/97/001 Rev: 0	
		Revision Drawn Checked Approved Date	Revision Drawn Checked Approved Date	Revision Drawn Checked Approved Date	Revision Drawn Checked Approved Date

ECD COMPUTER FILE

NOTES

1. Do not scale from this drawing. All dimensions to be checked from the original drawing.

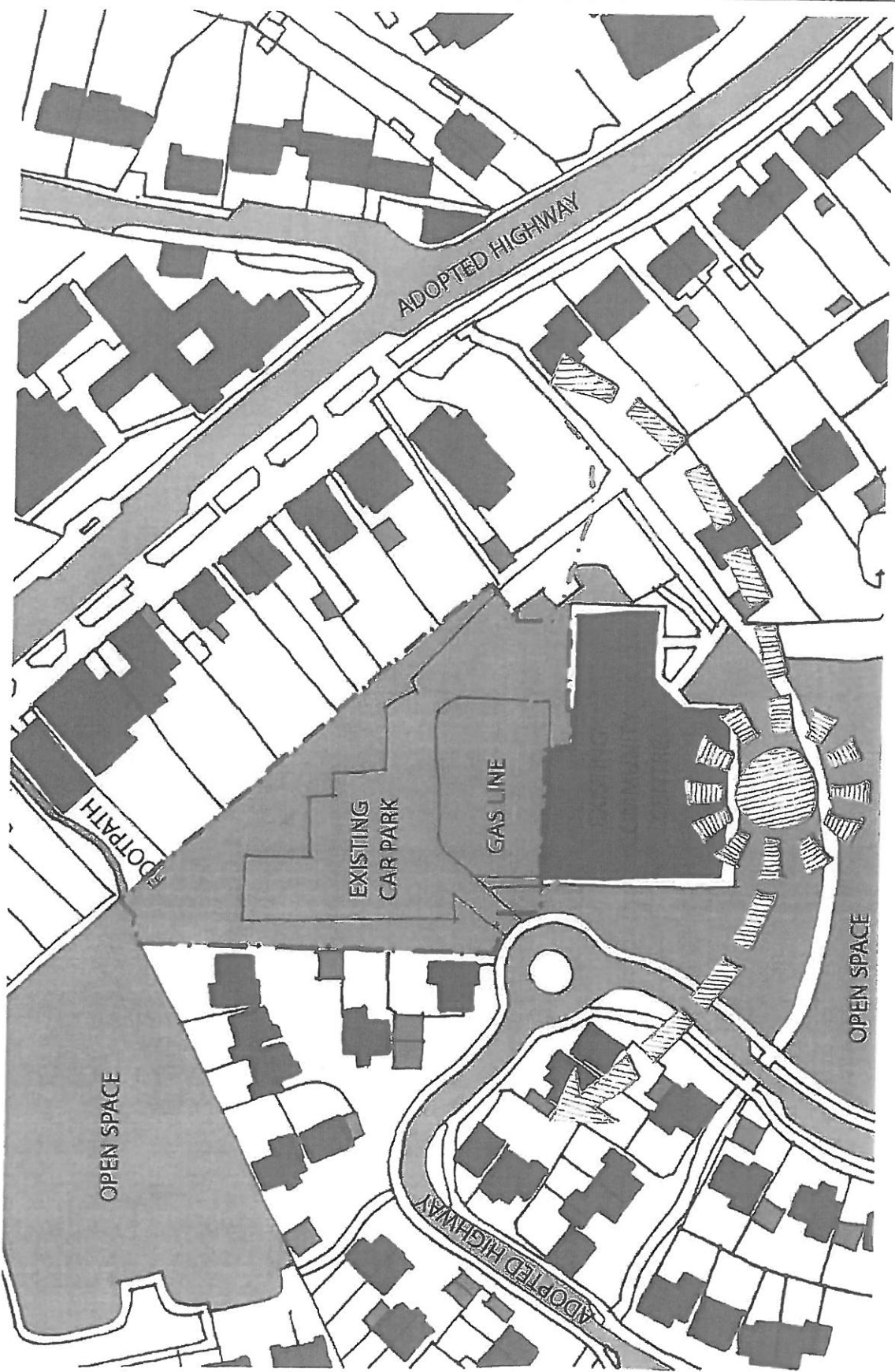
PROJECT TITLE
Feasibility Study
Shepway District Council

ECD Architects
INCORPORATED
Sole, 2 Bole Hole Farm
London SE1 4PU
020 7222 2200
020 7222 2201
www.ecdarchitects.co.uk

PROJECT TITLE
Shepway HRA New Build
Additional Sites

CONTRACT TITLE
Site Analysis

SCALE
@ A3
DATE
05/14
DRAWN BY
JK
CHECKED BY
JO
DATE PLOTTED
10/10



© 2014 ECD Architects Ltd. All rights reserved. Information subject to copyright.

303 COMPUTER FILE

NOTES

1. Do not modify the drawing. All amendments to be checked by the Designer before commencing printing and prior to the start of any construction.

Sheppway District Council

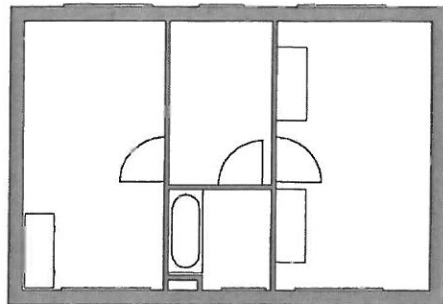
ECD Architects
EXETER - OUSTON
Studio Blue Lion Place
London SE1 4PL
Tel: 01392 261111
Fax: 01392 261112
www.ecdarchitects.co.uk

PROJECT TITLE
Sheppway HRA New Build
Additional Sites

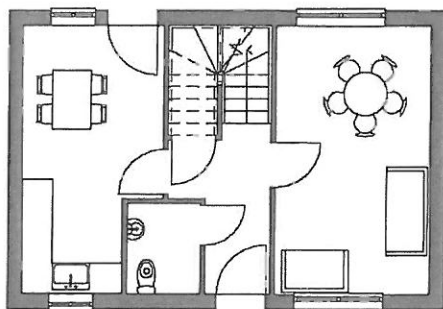
DRAWING TITLE
GA Plans

SCALE
1:100 @ A3
DATE
Aug 2014
DRAWN BY
SK
CHECKED BY
JL
PROJECT NO.
1400

Type: 2B4P
Floor Area: 86sqm

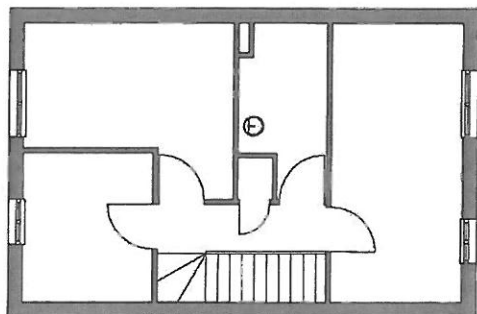


Level 1
1:100

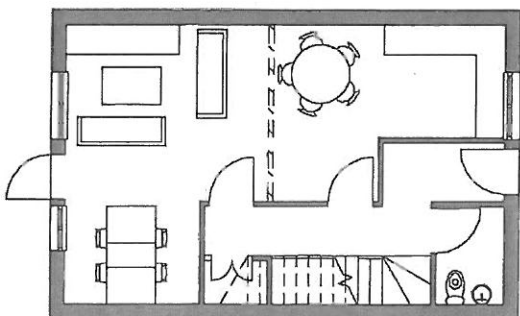


Level 0
1:100

Type: 3B5P
Floor Area: 102sqm



Level 1
1:100



Level 0
1:100

ECD Architectural is an equal opportunity employer. We are committed to diversity and inclusion in our workforce.

FEASIBILITY ESTIMATE

Hawkinge Community Centre Car Park Site

6 No New Houses and Public Car park

15th August 2014

SHEPWAY HRA NEW BUILD
**Appendix A - Detailed cost build-up for Hawkinge Community Centre Site
5No. 3 Bed 5 person & 1No. 2 Bed 4 person houses and public car park**

Ref	Description	Qty	Unit	Rate £	Amount £
1.0	<u>Demolition and site clearance</u>				
1.1	Remove existing tarmac/ concrete and cartaway from site	1,530	m ²	20	30,600
1.2	Remove grass and bushes	3,006	m ²	10	30,060
2.0	<u>New Build accommodation</u>				
2.1	3 bed 5 person house	510	m ²	920	469,200
2.2	2 bed 4 person house	86	m ²	920	79,120
2.3	Allowance for ground risks	5%		27,416	27,416
4.0	<u>External works</u>				
4.1	Timber fencing	314	m	70	21,980
4.2	Timber gates single	8	no.	350	2,800
4.3	Palisade fencing	54	m	120	6,480
4.4	Tarmac including parking spaces- road	2,479	m ²	95	235,505
4.5	Soft landscaping	1,324	m ²	25	33,100
4.6	Paving slabs including Patios and footpath	319	m ²	65	20,735
4.7	Paving with brick paviers	68	m ²	55	3,740
5.0	<u>Services</u>				
5.1	Electrical connections	1	item	6,000	6,000
5.2	Gas connections	1	item	6,000	6,000
5.3	Water connections	1	item	6,000	6,000



REPORT ON TITLE

Prepared for: Glyn Phillips

Your Ref: Hawkinge

Prepared By:

Date:

1. Description of the Land to report on:

The land shown edged red on the official copy plan K941592

2. Title number:

2.1 Freehold Title number	K941592
Proprietor	Edinburgh Land Estates Limited
Class of Title	Title absolute

A copy of the Official Copy of the register to K941592 and title plan is attached.

The Retained Land referred to above is shown on the plan in Annex 2 and is all the land edged green, blue and orange.

The Property referred to above is shown edged red on the plan in Annex 2.

The conveyance referred to above contains covenants agreed to by Hawkinge Parish Council. I have attached these at Annex 3. Clause 7 is not relevant anymore and nor are the clauses 11 and 12. They are not relevant because of a Deed dated 11 April 2007 made between (1) SDC & (2) Trustees of Hawkinge Parish Council which varied the original covenants in the conveyance.

The Deed dated 11 April 2007 between SDC & The Trustees released those clauses mentioned above and instead granted the following rights:

- A right in common with the Owner and its successors in title (at the time the Owner was SDC) for the Trustees and all those authorised by them from time to time to access the owners land for the purposes of parking private cars owned by visitors to the Trusts land on a first come first served basis in the parking area that is designated from time to time by the Owner (or its successors in title) acting reasonably **PROVIDED THAT**
- The total area which shall be reserved for the parking of private cars on the Owners land will never be less than 2000 square metres
- The positioning of such designated parking spaces will provide convenient access to the Trusts Land
- That the owner will make up the access way and the parking spaces and thereafter maintain the same without contribution from the Trustees
- No payment will be demanded by the owner in respect of the use of the Owners Land by the Trustees (or those authorised by the Trustees) for the parking of private cars.

The Deed also contained the following covenant:

pay back to SDC a certain sum of money. There is a legal process to how the sum is calculated and Notice procedures that would need to be followed.

- 3.5 Entry 4 of the above Register refers to an indemnity given by Edinburgh Land Estates Limited to observe the covenants in the charges register in the official copy register K 941592.

Charges Register

- 3.6 Entry 1 is written out in full on the Charges Register.
- 3.7 Entry 2 refers to a conveyance dated 1 March 1995 and made between (1) Truck Inns Limited and others and (2) McLean Homes South East Limited. The transfer was of land lying to the south of the land shown edged red on the official copy plan to K941592. The conveyance contains covenants that affect the land in this title and other land. The details of these covenants are set out at entry 1 in the Schedule of Restrictive Covenants on the official copy register to K941592.
- 3.8 Entry 3 of the Charges Register refers to a Transfer of land in this title and other land dated 10 August 1999 made between (1) Truck Inns Ltd (2) Peter Nettlam Tory and Truck inns Limited and (3) The District Council of Shepway. The Transfer contains the following restrictive covenants:

The land will not be used other than for the construction and eventual use as:

- Public Open Space and associated footways
- A village hall with other community facilities: and
- Retail facilities including a public house and ancillary accommodation

Thank you

Kind Regards

Beverley Dempster

Solicitor 01303 853516

Not for publication by virtue of paragraph 3 of part 1 of schedule 12A of the Local Government Act 1972

Folkestone

Hythe & Romney Marsh
Shepway District Council



www.shepway.gov.uk

Report number **C/14/93**

To: Cabinet
From: Susan Priest, Corporate Director Operations
Cabinet Member: Councillor John Collier, Cabinet Member for Properties Management.
Date: 15 April 2015
Subject: Land at Hawkinge Community Centre

Summary:

This reports sets out a request by Hawkinge Town Council for Shepway District Council to make available funds (by way of a grant and/or loan) to enable the purchase of land to the North West of Hawkinge Community Centre referred to as "the land", for use as car parking for users of Hawkinge Community Centre and other community facilities including the Village Hall.

Reasons for Recommendations:

The issue of "the land" has been the subject of discussions between Hawkinge Town Council, Hawkinge Community Centre and Shepway District Council in recent months. Officers have carried out detailed investigations into the proposal prepared jointly by Hawkinge Town Council and Hawkinge Community Centre following Cabinet's initial consideration of an investment proposal on 17th December 2014 (report number C/14/66).

At that meeting officers were asked to "...carry out further investigations into the issues raised by Hawkinge Town Council with a view to seeking a positive response to their request, having regard to the financial implications for Shepway District Council and the protection of the interests of taxpayers of the District."

Cabinet is asked to consider and make a decision, taking into account the recommendations from CMT below.

RECOMMENDATIONS:

1. To note report C/14/93.
2. To encourage Hawkinge Town Council to apply for preferential borrowing from the Public Works Loan Board (PWLB), with expertise from SDC officers made available in support of an application; and
3. To agree, subject to the "the land" being acquired by Hawkinge Town Council, to transfer ownership of a buffer strip of land currently owned by SDC for consideration of £1 (with a suitable average clause) in order to allow a comprehensive masterplanning approach to be taken.

Estates, should be owned by Hawkinge Town Council. This forms the main element of phase one of the Town Council's vision for the Community Centre site. Should this be successful, this would mean that there would be one body in control of the whole area from the Canterbury Road frontage through to Heron Forstal Avenue, including the Green adjacent to the Community Centre. This would enable the Town Council to unify the current Community Centre car park with the adjacent car park at the Village Hall.

3. LAND RELATED CONSIDERATIONS

- 3.1 In August 1999 SDC covenanted on behalf of itself and its successors to build on "the land" only:
- Public open space and associate footways.
 - Village hall and other community facilities.
 - Retail facilities including a public house and ancillary accommodation.
- 3.2 The village hall and community centre were subsequently built.
- 3.3 In the sale of the land to Edinburgh Land Estates on 11 April 2007, SDC and Edinburgh Land Estates entered into a separate agreement for the payment of overage to ensure the land was developed in line with its responsibilities under the 1999 agreement and to honour an agreement between SDC and the trustees of the Hawkinge Community Centre that provision of 2,000m² of parking would be permanently made available on the land for use by visitors to the Community Centre.
- 3.4 Since then planning application (Y13/0934/SH) has been granted at appeal by the Planning Inspector on 16th March 2015. The approved scheme intends to deliver 610m² food store, together with 2,000m² (82 spaces) of fully surfaced car parking and cycle parking, in line with the 2007 agreement between SDC and Edinburgh Land Estates. A copy of the Inspector's report is attached as appendix 3.
- 3.5 It should be noted that any new master planning of the area may result in a new planning application. Should the land be acquired by another organisation, the original covenants the Council made in 1999 will transfer with the land. Any new purchaser would therefore be required to enter a Deed of Covenant with the Council as this is a requirement on the current landowner.

4. INVESTMENT PROPOSAL

- 4.1 SDC originally examined an investment case for housing development potential and car parking and found that the site costs exceeded key metrics used in our financial model for housing. Since then alternative investment cases to address other objectives, other than financial return on investment, have been explored.
- 4.2 At the time of writing this report SDC officers were advised that the rate of interest on a loan of £200K secured on the Community Centre over 50 years was quoted at a rate of 4.42%. In 2014 the NatWest approved a loan of £250k over 25 years at 4.99% fixed for the first 5 years, which demonstrates that the Community

borrowing against future tax receipts, as opposed to setting out the income streams and security for a loan from the district council, and would also allow Hawkinge Town Council to retain its financial independence from the district council.

- 5.6 To be able to assess the financial impact of the options, the table below sets out the cost of loans in the respective scenarios for a 10 year loan based on a principal sum of £260,000.

Loan Term - 10 year repayment (annuity basis)	SDC interest free	SDC current investment return	SDC forecast average investment return	PWLB
Loan	£260,000	£260,000	£260,000	£260,000
Interest Rate	0%	1.03%	3.00%	2.20%
Cost per annum	£28,510	£27,429	£30,288	£29,107
Total cost of loan	£285,000	£274,290	£302,880	£291,070
Annual subsidy	£1,778	£2,859	0	n/a

- 5.7 The SDC current investment return interest rate of 1.03% is the projected return for 2014/15. Over the next 10 years the council's average investment return is projected to be a minimum of 3%, based on data at January 2015. PWLB interest rates are set daily and are directly linked to UK Gilts. The actual rate to be charged can only be agreed at the time the loan is approved. PWLB interest rates are not expected to move materially from their current levels during the next quarter. The process for securing funding from PWLB is straight forward but it is feasible for the district council's finance officers, who have experience of the process, to support the Town Council in making their application.
- 5.8 If SDC were to provide a loan to Hawkinge TC this would qualify as capital expenditure. The repayment of the loan would have to be treated as a capital receipt. Therefore, if this option is approved, it is recommended that the loan be financed from the Capital Receipts Reserve rather than from revenue resources.
- 5.9 **In light of the analysis above, CMT recommend supporting Hawkinge Town Council with officer expertise in approaching the PWLB to source funding for the project.**

6. SDC OWNED BUFFER ZONE

- 6.1 Adjacent to "the land" is an SDC owned buffer zone identified in appendix 4 with red shading on Plan 2. The area extends to 576m² (0.0576 ha/0.142 acres) and is used as an unofficial path between Heron Forstal Avenue and Canterbury Road acting as a buffer zone between the housing in Pritchard Drive and the permitted development of retail and car parking facility.

Reputational damage if perceived by the local community not to be supporting permitted development where there is high demand for additional local facilities.	High	Low	Advice has been given that some elements of the permitted development is not in high demand from the community, hence the desire to masterplan the area.
--	------	-----	--

9. Legal/finance and other control/policy matters

9.1 Legal officer's comments (BD)

The Local Authority may dispose of land held by them in any manner they wish, although not for an amount less than the best that can reasonably be obtained, except with the consent of the Secretary of State.

Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 gives authorities consent to a disposal of land in the circumstances specified in paragraph 2 below:

2. The specified circumstances are:

a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;

i) the promotion or improvement of economic well-being;

ii) the promotion or improvement of social well-being;

iii) the promotion or improvement of environmental well-being; and

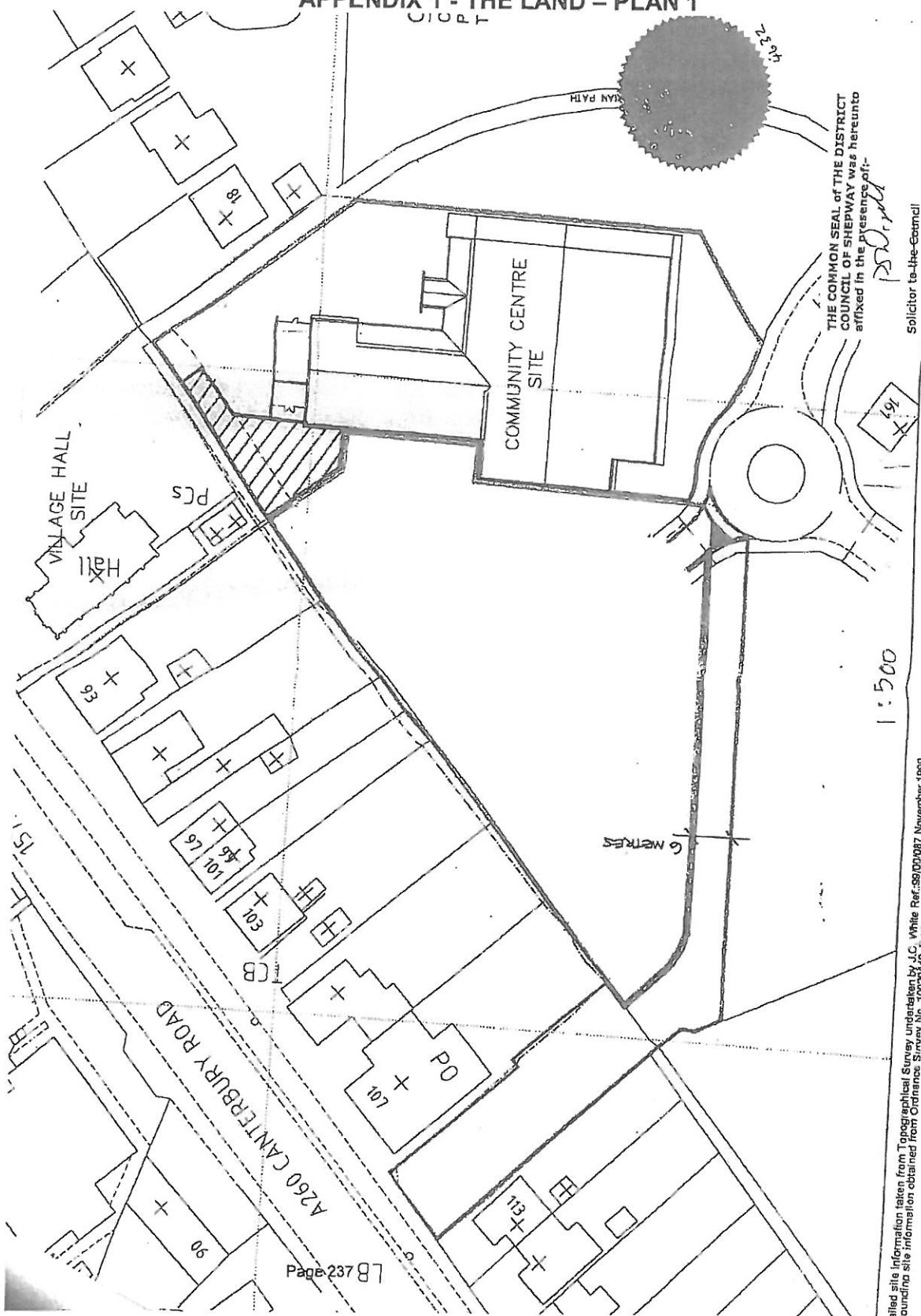
b) the difference between the unrestricted value (i.e. the best price reasonably obtainable for the property on terms that are intended to maximise the consideration) of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

The best price for this land does not exceed £2,000,000, so this part of the general disposal consent is satisfied. Cabinet should therefore be satisfied that the disposal is likely to achieve one or more of the objectives set out in the circulation.

The report puts forward a case that the disposal will improve the social well being of the area and if Councilors are satisfied that this is the case, then the disposal on the terms proposed could be approved.

9.2 Finance officer's comments (LW)

APPENDIX 1 - THE LAND - PLAN 1



allied site information taken from Topographical Survey undertaken by J.C. White Ref. 99/00/0087 November 1999
 ground site information obtained from Ordnance Survey No. 444444444

The Centre also serves a purpose for election periods as a Count Centre. For example the centre has been booked exclusively for use by Shepway District Council over 7th and 8th May 2015 as a polling station and also as a counting centre. This is not the first time this has occurred; it happened for the European and County Council elections (run jointly with Dover District Council) in May 2009. The Centre is also a resource used by Shepway District Council.

The Centre is also named as an "Emergency Resource" outpost for Hawkinge and its environs as designated by KCC.

The Centre was used successfully by the local scout group for their St. George's Day celebrations in April 2014.

Project Salus' Big Blue Bus, Mobile Blood Donations Centres and the Mobile Police Unit use the land regularly to engage with the community.

The Community Centre being the hub of the recreational facilities in Hawkinge means a need exists for adequate parking facilities to enable it to function to its full potential. Some of the regular users of the Centre are registered disabled and therefore need parking in close proximity to the Centre.

In the last year parking has become particularly critical because of the additional parking restrictions imposed by Kent County Council in other roads in the local area.

Appeal Decision

Site visit made on 9 March 2015

by **Katie Peerless Dip Arch RIBA**

an Inspector appointed by the Secretary of State for Communities and Local Government

Decision date: 16 March 2015

Appeal Ref: APP/L2250/A/14/2229276

Land adjacent to Hawkinge Community Centre, Heron Forstal Avenue, Hawkinge, Folkestone, Kent CT18 7FP

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant planning permission.
 - The appeal is made by Edinburgh Land Estates against the decision of Shepway District Council.
 - The application Ref Y13/0934/SH, dated 5 September 2013, was refused by notice dated 22 May 2014.
 - The development proposed is erection of food store (610m² floor area) with associated car parking and landscaping.
-

Decision

1. The appeal is allowed and planning permission is granted for the erection of a food store (610m² floor area) with associated car parking and landscaping at land adjacent to Hawkinge Community Centre, Heron Forstal Avenue, Hawkinge, Folkestone, Kent CT18 7FP, in accordance with the terms of the application, Ref: Y13/0934/SH, dated 5 September 2013, and the plans submitted with it, subject to the conditions attached as Appendix A to this decision.

Main Issue

2. I consider the main issue in this case to be the effect of the proposed development on highway safety and the free flow of traffic in surrounding roads, with particular reference to the availability of parking provision and the consequent impact on residential amenity.

Site and surroundings

3. The appeal site is adjacent to Hawkinge Community Centre, in an area that is surrounded by residential development and close to the village centre. The majority of the land is presently undeveloped but some of the land within the 'red line' on the application plans is used as an informal car park for the community centre, which owns part of this area.

Planning history

4. The appeal site is part of a wider parcel of land that was, according to the Planning Officer's report to committee for the application, originally earmarked for a community centre, retail development and public house in the adopted 1990 Hawkinge Development Brief.

12. The original parking surveys were carried out in accordance with the requirements of KCC's Highways Department. The report into the findings was accepted by the Department, which recommended the scheme for approval. The Planning Committee disagreed with the report but the Council has not disputed the methodology or the numbers counted.
13. I consider that the surveys demonstrate that it is very unlikely that the normal peak usage of the parking available for the store would occur at the same time as that for the community centre. The highest use recorded for the community centre in the traffic surveys was 70 on a Saturday morning when a toy fair was in progress. However, at this time there were 23 spaces available in the village hall/town car park and if this situation occurred again when the store was in operation, and maximum parking for both buildings was required, there would be a total of 105 spaces available, more than the maximum requirement for the 2 buildings.
14. It does not seem unreasonable to me to take account of all available parking space within the vicinity when considering the unlikely possibility that the maximum parking requirements for the store and the community centre would occur at the same time. The above findings are based on a need to provide the maximum parking requirements as set out in the SPG. They also take no account of the on-road spaces that are also currently available and would provide a further degree of flexibility.
15. The site is close to residential properties and it can be expected that a fair proportion of customers would walk to the store. It is also the case that recent planning policy encourages a reduction in the use of the private car and the application of maximum, rather than minimum, parking standards are often imposed to help achieve this aim. I consider that these factors mean that less weight can be accorded to a requirement to provide the maximum number of on-site spaces.
16. I have taken into account the situation where a 'special' event occurs at the community centre and realise, from the communications from interested parties, that these clearly cause inconvenience to other users of nearby facilities and local residents. However, this is a situation that would, in my opinion, need to be addressed by those responsible for running the community centre, as such a large increase over and above the normal maximum requirement (from 70 vehicles to up to 120) should not be a reason to prevent planning permission for another, otherwise acceptable, development.
17. I have noted the other objections from local residents who are very concerned with the possibility of additional noise, disturbance and a detriment to highway safety, particularly at anti-social hours. These objections seem to mainly arise from concerns about the size, type and frequency of service vehicles accessing the retail units, particularly at night, and using surrounding roads. However, these concerns can be dealt with by planning conditions imposed on any permission, which could limit the hours when the store can be open, when deliveries can take place and the type of lorry that can be used for these.
18. The Council's reasons for refusal of the proposal are all related to the parking provision and, whilst I have noted the objections claiming that a store of this kind is not needed in this location, the finding of the previous appeal decision was that there would be no harm in principle to a retail unit on the site and the only concern was the information on parking provision.

27. To protect the residential amenities of nearby occupiers, any lighting scheme will be required to be approved by the local planning authority and noise attenuation measures for the external areas of the building will have to be submitted for approval and thereafter implemented.

Conclusions

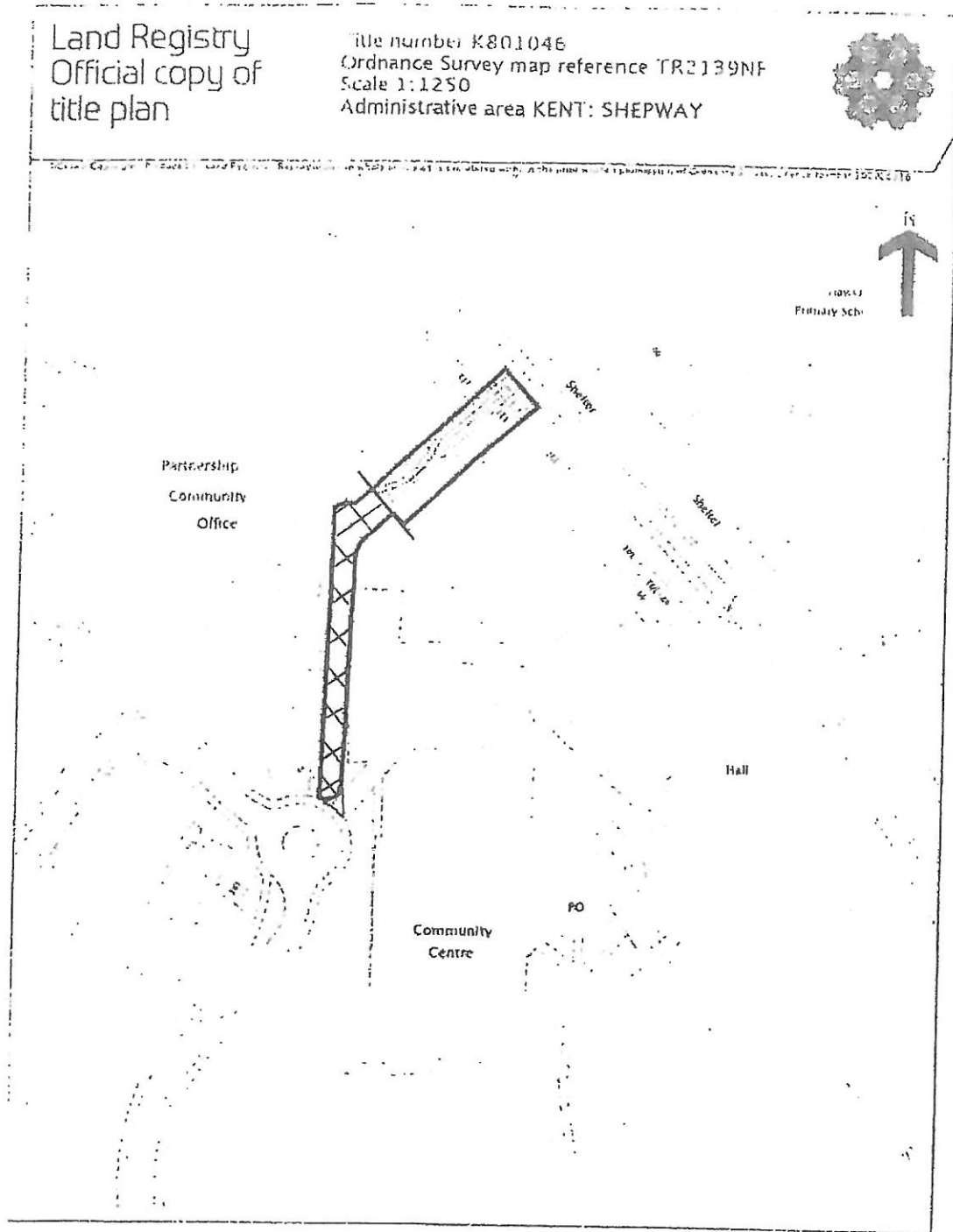
28. For the reasons given above I conclude that the appeal should be allowed.

Katie Peerless

Inspector

- 10) Prior to the commencement of development a management plan for the operation of the car park, to allow for its uncharged and uncontrolled use by the users of the Community Centre shall be submitted to and approved in writing by the Local Planning Authority, such measures as approved shall be implemented at the time of the first opening of the premises to the general public and permanently retained thereafter.
- 11) The vehicle parking spaces shown on the submitted plans shall be provided prior to the opening of the supermarket hereby permitted. These spaces shall thereafter be permanently retained for this use.
- 12) Prior to the commencement of development, details of noise attenuation measures and management arrangements for the service yard, delivery vehicles and external plant and equipment shall be submitted to and approved in writing by the Local Planning Authority, such measures as approved to be implemented prior to the first use and retained thereafter.
- 13) The net retail sales area of the foodstore hereby approved shall not exceed 610 sq/m without the prior approval of the local planning authority.

APPENDIX 4 - BUFFER ZONE – PLAN 2



This official copy is incomplete without the preceding notes page.

REPORT AND VALUATION

of

LAND AT
HERON FORSTAL AVENUE
HAWKINGE
FOLKESTONE
KENT

prepared for

SHEPWAY DISTRICT COUNCIL

by

M C TAYLOR FRICS
TAYLOR RILEY STAFFORD
CHARTERED SURVEYORS
30 NORTH STREET
ASHFORD
KENT
TN24 8JR

11th March 2015

Regulated by RICS

TAYLOR RILEY STAFFORD
30 NORTH STREET ASHFORD KENT TN24 8JR
TEL: (01233) 629281 FAX: (01233) 665945 www.taylorriley.co.uk



11th March 2015

Shepway District Council
Civic Centre
Castle Hill Avenue
Folkestone
Kent CT20 2QY

For the attention of Ms N Fairhurst

Dear Sirs

Re: Land at Heron Forstal Avenue, Hawkinge, Folkestone, Kent

1 INSTRUCTIONS

- 1.1 In accordance with your e-mail of the 4th March 2015 I set down below my valuation advice in respect of the above land.
- 1.2 My opinion of value has been prepared on a Market Value basis in accordance with the RICS Valuation Standards published by the Royal Institution of Chartered Surveyors in January 2014.
- 1.3 I can confirm that this valuation and inspection was carried out by a director of this firm.

2 PURPOSE OF VALUATION

- 2.1 This valuation is required in connection with discussions taking place on the future of this land in relation to the adjoining development site.

3 CONFLICT OF INTEREST

- 3.1 I can confirm that we do not nor have we acted for any other party with an interest or a potential interest in this site and neither does any member of Taylor Riley Stafford have a personal interest in the property.
- 3.2 In 2008 I did provide advice in connection with a potential professional negligence claim concerning the adjacent development site.

4 PROFESSIONAL INDEMNITY

- 4.1 I confirm that Taylor Riley Stafford holds professional indemnity insurance cover for five million pounds for each and every claim. A copy of the policy can be inspected on request.

5 DATE OF VALUATION

- 5.1 The date of valuation is the date of this report, the 11th March 2015.

6 INSPECTION

- 6.1 This report is undertaken on a desktop basis although I have visited the site on a number of occasions and am very familiar with it.

7 LOCATION

- 7.1 This site is situated between Heron Forstal Avenue and the rear of 111 Canterbury Road, Hawkinge and is well known to you. It is in the centre of the village and abuts on its west side the rear gardens to three private detached houses in Pritchard Drive and to the west a potential development site which I describe in more detail under sections 10 and 14 below.

the building which would in turn encroach upon and reduce the car parking provision.

14.5 I set down below a residual assessment of the proposed scheme, but must state that this is an indicative exercise only as I have not been provided with any figures or information on costs:-

	£	£
Gross Development Value (GDV) calculated At RV of £15 per sq ft at 7% yield		1,400,000
Build costs 610 m ² @ 1241 m ² Based on BCIS costs 2015	757,010	
Contingencies and external works @ say 20%	<u>151,402</u>	
	908,412	
Fees @ say 5%	<u>45,420</u>	
	953,832	
Finance over 12 months @ say 4.5%/2	<u>21,461</u>	
	975,293	
Costs on disposal @ say 2½% GDV	<u>35,000</u>	
	1,010,293	
Developer's profit @ say 20% of costs	<u>202,058</u>	
	1,212,351	
Finance on site purchase over say 18 months @ 4.5%	say approximately <u>14,000</u>	<u>1,226,351</u>
	Site value	<u>173,649</u>
	Say	175,000

15 VALUATION

- 15.1 The overall site area for the scheme, to include the buffer zone is 0.398 ha of which the buffer zone (SDC land) comprises 0.0576 ha or 14.47%. On a pro rata land value basis on a value of £175,000 for the whole, the value for the SDC land is £25,322, say £25,000 (twenty five thousand pounds) with vacant possession.
- 15.2 However as the acquisition and control of the buffer zone is fundamental to the scheme there may be an opportunity to negotiate a higher figure to facilitate the scheme proceeding if planning consent is granted.
- 15.3 As a footnote, I have a note in my records that the current owners of the development site purchased it in 2007 for £150,000 in the belief that it already had the benefit of a valid planning consent for a supermarket.

16 ASSUMPTIONS AND CAVEATS

- 16.1 In providing this report the following assumptions have been made.
- 16.2 The property is not subject to any onerous or unusual encumbrances, restrictions or conditions which would affect its value.
- 16.3 That no unusual or onerous matters would be revealed by a local search, replies to usual enquiries or by any statutory notice.
- 16.4 No inspections or tests have been carried out to identify the presence of hazardous or deleterious materials, as these require specialist tests. I think it unlikely that such materials would be present in any significant quantities at the property and my valuation has been prepared on the assumption that this is the case.

APPENDIX A



APPENDIX B



Dated 11 April

2007

1. THE DISTRICT COUNCIL OF SHEPWAY
 2. EDINBURGH LAND ESTATES LIMITED
-

Deed
relating to payment of overage relating to
Land on the south west side of Canterbury
Road, Hawkinge, Folkestone, Kent



vertex law

Vertex Law LLP
39 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4SD
T. 0870 084 4040
F. 0870 084 4041
www.vertexlaw.co.uk

Our Ref: GG/3/24
Doc No: 75190 v2

THIS DEED IS MADE THE 11th DAY OF April 2007

BETWEEN

- (1) The District Council of Shepway of Civic Centre, Castle Hill Avenue, Folkestone, Kent ("the Seller") and
- (2) Edinburgh Land Estates Limited whose registered office is at 7 Rutland Court Land, Edinburgh, EH3 8ES (Company Registration No. SC2687736) ("the Buyer")

1 Recitals

- 1.1 Under an Agreement ("the Sale Agreement") dated day of 2007 the Seller agreed to sell and the Buyer agreed to purchase the Property
- 1.2 It was a term of clause 11 of the Sale Agreement that the parties thereto enter into this deed relating to a payment of re-development value or resale value of the Property (as hereinafter defined)
- 1.3 Reference in this Deed to the Buyer shall be deemed to include a reference to the Buyer's successors in title and where appropriate to the Buyer's predecessors in title

2 Definitions

In this Deed the following terms shall bear the following meanings:

- 2.1 "Acquisition Cost" shall mean the sum stated in Part 2 of the Schedule hereto being the purchase price paid by the Buyer for the Property on the date hereof (not including VAT)
- 2.2 "Alternative Use Planning Permission" shall mean planning permission authorising use or the intensification of a planning permission authorising use of the whole or part of the Property for any purpose other than the development of a retail shop, Church or Public House
- 2.3 "disposition" and "dispose of" shall have the meaning ascribed thereto by Section 205 (1)(ii) of the Law of Property Act 1925 and "disposed" shall be construed accordingly
- 2.4 "Clawback Period" shall mean the period of ten years commencing on the date of this Deed
- 2.5 "Deed of Covenant" a deed of covenant with the Seller containing covenants in the same terms as those given by the Buyer in this deed with such minor modifications as the Seller may agree.
- 2.6 "Open Market Value" the estimated amount of the Property calculated in accordance with Practice Statement 3.2 of the fifth edition of the RICS Appraisal and Valuation Manual or the relevant Practice Statement at the date of the

Triggering Event unconditionally for cash consideration between a willing seller and a willing buyer

- 2.7 "Permitted Deductions" shall mean sums reasonably and properly incurred by the Buyer (excluding VAT save where irrecoverable by the Buyer for whatever reason) in obtaining (if relevant) the Alternative Use Planning Permission or the reasonable and proper costs of the disposal of the Property including but not limited to the following: -
- 2.7.1 Legal and agents fees incurred in the disposal of the Property
- 2.7.2 The Valuer's fees incurred in determining the valuation of the Open Market Value pursuant to clause 3 of this Deed
- 2.8 "Permitted Development" shall mean the development of a Retail Shop, Church or Public House at the Property
- 2.9 "Permitted Disposal" shall mean a disposal of the Property within the Clawback period following the Permitted Development of the Property by the Buyer
- 2.10 "Property" shall mean all that property more particularly described in Part 1 of the Schedule hereto
- 2.11 "Triggering Event" shall mean a disposition (not being a mortgage or charge which takes effect subject to the provisions of this Deed) or the obtaining of Alternative Use Planning Permission occurring during the Clawback Period
- 2.12 "Valuer" shall mean an independent surveyor who shall be a fellow of the Royal Institution of Chartered Surveyors with at least ten years experience of valuing commercial property residential property and land who shall act as an expert to be agreed upon by the parties or in default of agreement shall be appointed on the application of either party by the President for the time being of the Royal Institution of Chartered Surveyors whose decision shall (in the absence of manifest error) be final and binding on both parties
- 2.13 "VAT" the tax known as Value Added Tax or any similar tax or duty which may be levied in addition to it or in substitution for it
- 2.14 "Working Day" is any day from Friday to Monday (inclusive) which is not Christmas Day Good Friday or a statutory Bank Holiday

3 Operative Provisions

- 3.1 The Buyer hereby covenants with the Seller that if either:
- 3.1.1 Alternative Use Planning Permission is obtained during the Clawback Period; or
- 3.1.2 ✓ the Buyer shall dispose of the Property during the Clawback Period other than by way of a Permitted Disposal

the Buyer shall on a the date of the Triggering Event pay to the Seller (within 5 Working Days of the date of any Seller's Notice (as defined in clause 3.3.3) expressing agreement with the Buyer's Notice (as defined in clause 3.3.1) or the date of any determination pursuant to clause 3.3.4) one half of the sum calculated by the application of the following formula:

Sum =
$$\frac{\text{Open Market Value} - (\text{Acquisition Cost} + \text{Permitted Deductions})}{2}$$

Provided that in applying the said formula on any Triggering Event to part only of the Property the definition of "Property" in the definition of "Open Market Value" shall be a reference to that part of the Property and provided further that only one payment pursuant to this clause shall be made in respect of each part of the Property but for the avoidance of doubt this clause will apply to all and any Triggering Events during the Clawback Period

3.2

3.2.1 The Buyer shall serve notice ("the Buyer's Notice") in writing on the Seller;

3.2.1.1 prior to any proposed disposition (not being a mortgage or charge which takes effect subject to the provisions of this Deed or a letting as contemplated by clause 4.1.3) or

3.2.1.2 on being informed that an application for Alternative Use Planning Permission has been successful

such notice informing the Seller of the Triggering Event

3.2.2 the Buyer's Notice shall also specify the Acquisition Cost the Permitted Deductions and the Buyer's valuation of the Open Market Value together with a calculation of the sum payable pursuant to clause 3.1

3.2.3 Within 21 Working Days of receipt of the Buyer's Notice the Seller shall serve notice ("the Seller's Notice") in writing on the Buyer which shall either express agreement to the matters contained in the Buyer's Notice or shall require the Open Market Value to be determined by the Valuer

3.2.4 In the event that the determination of the valuation of the Open Market Value shall be referred to the Valuer the Valuer (at the joint cost of the Seller and the Buyer) shall be required to provide his determination in writing within 20 Working Days of his appointment; he shall be required to request submissions to be made to him by each party within 5 Working Days of his appointment and such submissions shall also be served on the other party; he shall permit representations to be made by each party on the submission of the other party within 5 Working Days of service of the submissions

PROVIDED THAT in the event that the Valuer does not comply with the provisions of clause 3.2.4 then unless within 5 Working Days of being requested to do so by the other party hereto the parties hereto agree to extend the time period or vary or waive any such non-compliance the Valuer's appointment shall be terminated and

an alternative Valuer appointed and such procedure shall be repeated until a determination is made in accordance with this clause

3.2.5 The Valuer shall not be bound by any submissions and representations and shall make his determination as an expert and not as an arbitrator

4.1 The Buyer covenants with the Seller not to dispose of the whole or any part of the Property within the Clawback Period without first procuring that the person to whom the Disposal is being made has executed a Deed of Covenant.

4.2 The Buyer will as soon as reasonably possible apply to note the terms and effect of this Deed against the title to the Property at the Land Registry and the parties further apply to the Chief Land Registrar for the registration of a restriction in the proprietorship register of the Property in the following terms: -

"no disposition of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a written consent signed by The District Council of Shepway or its solicitors that the provisions of the deed dated [date] made between the District Council of Shepway (1) and Edinburgh Land Estates Limited (2) have been complied with"

5 If any sums payable pursuant to the provisions of clause 3.1 hereof are not paid to the Seller in accordance with such clause then the Buyer shall pay interest at 4 per centum per annum above the base rate of National Westminster Bank Plc then in place on such sum from the date such payment became due pursuant to clause 3.1 to the date of actual payment of such sum to the Seller

6 All sums payable or supplies made pursuant to this Deed are deemed to be exclusive of VAT and the paying party or the party receiving the supply shall pay such amount of VAT as is due on receipt of a valid tax invoice

7 The Seller covenants with the Buyer that the Seller, its successors in title or assignees shall:-

7.1 provide written consent for the registration of a Disposition at the Land Registry within 10 Working Days of receipt of a Deed of Covenant properly executed by the person to whom the Disposition is being made provided that there are then no outstanding sums due from the Buyer under the terms of this deed; and

7.2 consent to the withdrawal of the restriction entered against the title to the Property within 20 Working Days after full payment of all sums due by way of overage after the end of the Clawback Period

8 Any notice or document requiring to be served under the terms of this Deed or any New Deed shall be served in accordance with the provisions of S196(4) of the Law of Property Act 1925 on the parties registered office (or the last known address if the party on whom the notice is being served is not a limited company)

IN WITNESS whereof this document has been executed by the parties hereto as a deed the day and year first above written

Schedule

Part 1

The Property

Land on the south west side of Canterbury Road, Hawkinge, Folkestone, Kent and registered at HM Land Registry under Title No. K801046

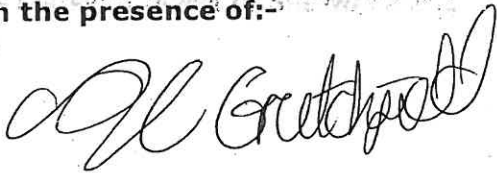
Part 2

Acquisition Cost

One hundred and fifty thousand pounds (£150,000.00)

THE COMMON SEAL of THE DISTRICT COUNCIL OF SHEPWAY was hereunto affixed in the presence of:-

Solicitor



4694

EXECUTED as a Deed by
EDINBURGH LAND ESTATES LIMITED acting
by:

Director

Director/Secretary

This report will be
made public on 14
July 2015

C/15/16

To: Cabinet
Date: 22 July 2015
From: Head of Strategic Development Projects
Head of Service: Andy Jarrett
Cabinet Member: Councillor Alan Ewart-James

SUBJECT: HRA NEW BUILD UPDATE & PROPOSALS

SUMMARY: Shepway's HRA Business Plan provides for the delivery of a 10 year programme of up to 30 dwellings each year from 2014/15. This paper is informed by the recently completed pilot schemes; it recommends an interim list of sites be fully appraised immediately with a view to their development and also a timetable for preparing a new strategy and programme.

RECOMMENDATIONS:

1. To receive and note report C/15/16.
2. To agree the list of HRA sites for immediate development appraisals shown in appendix 1 to this report)
3. To agree to prepare a new HRA New Build Strategy as described in Section 4 below reflecting the lessons learnt from the pilot studies and experience of the last two years.

1 BACKGROUND

- 1.1 On 19 December 2012 (minute 70) Cabinet agreed to evaluate the potential to develop homes on Council owned land. Cabinet, on 31 July 2013 received report C/13/20 and agreed to
- develop two pilot schemes,
 - set up a Member Working Group (MWG) to consider the initial feasibility work completed on 91 sites within the Council's ownership. (See minute27)
- 1.2 The MWG shortlisted 15 sites, primarily based on estimated cost of development. Since the recruitment of the Projects Team last September, Feasibility Studies for the 15 sites have been progressed.

2 PROGRESS UPDATE – HRA NEW BUILD

- 2.1 The two pilots schemes, in Tourney Road (Lydd) and Millfield (Hawkinge) are now completed. The homes in Tourney Road were completed and occupied in April of this year. Completion of the homes in Millfield was delayed by significant onsite issues but they are due to be fully occupied by the end of July this year. A review of the pilot schemes has been completed and the key findings are as follows:
- The pilots were expensive to build, at around £2,500 per square metre compared to the projected £2,000 psm at feasibility stage.
 - The cost of the development was increased by the discovery of onsite issues (including the identification of sewer pipe which was not recorded on any site records) and also the cost of providing utilities to a small number of units.
 - The development of small sites prevents the council from achieving any economies of scale. Generally, the development of larger sites will enable the council to achieve better value for money and make the best possible use of resources;
 - The council may need to acquire larger sites through the market to enable it to fully deliver its HRA new build programme.
 - The pilot phase has been resource demanding for the project team, in terms of responding to queries from local residents, responding to onsite issues and in terms of working to ensure that the onsite services were provided on time by the utilities company.

3 REVISED LIST OF HRA DEVELOPMENT SITES

- 3.1 The pilot schemes suggest that priority should be focused on larger sites although the scale has yet to be defined.
- 3.2 In the short –term it is considered that there is a need to develop a comprehensive and robust set of benchmarked criteria for site appraisals. This should be within the context of a thoroughly researched development strategy (see section 4), However, rather than stall progress the following criteria have been used to identify an interim shortlist of sites:
- Likely cost of the proposed scheme < £2,000 psm
 - size – only sites larger than half a hectare, with a minimum of 6 units potential
 - sites with no likely developmental complications – i.e. without issues such as service diversions, planning constraints, flood risk, etc.

- 3.3 From the original 91 sites, using the criteria in 3.1, four sites emerge as development prospects (listed in Appendix 1), that will result in 32 dwellings it is proposed to take these through the current feasibility process.
- 3.4 **Timetable:** Feasibility and Site Appraisals take 12 weeks each to complete. Post-feasibility to “on site” takes c. 10 months. One site, Roman Way, Cheriton, has a completed feasibility report and is ready for a decision now. Brook Lane (Sellindge) has a site appraisal but no Feasibility Report. Broomfield Crescent and Digby Road both require a site appraisal and feasibility reports.
- 3.5 **Value for money:** The four recommended sites have minimal developmental complications and have significant economies of scale compared to the previously prioritised sites. They should, therefore, cost less and require less officer time to develop.
- 3.6 **Finance:** the sites would be subject to the terms and provisions of the HRA business plan.

4 HRA NEW BUILD STRATEGY

- 4.1 Using lessons learned from the Pilot Schemes, it is proposed to develop an HRA New Build strategy that will set out:
- a site identification and acquisition process that ensures there is an overview and understanding of the potential of existing sites in the Council’s ownership, and can react quickly to assess and acquire new market opportunities.
 - a site development decision process with parameters that link to internal and market financial value for money benchmarks to stress test proposed sites
 - a robust and rigorous Procurement system that delivers value for money and the council’s relevant strategic aims, throughout the development process
- The future of sites that are not to be developed will be considered in the council’s Asset Management Strategy.

5 RISK MANAGEMENT ISSUES

Perceived Risk	Seriousness	Likelihood	Preventative Action
Failure to develop suitable sites:			
1. HRA New Build target not met	High	High	<ul style="list-style-type: none"> • Take forward the proposed interim sites • Develop a long term strategy
2. Developed sites do not give value for money	High	High	<ul style="list-style-type: none"> • Develop the New Build Strategy
Failure to adopt consistent and considered development strategy:			

1. poor development decisions	High	High	Develop New Build strategy
2. poor quality and expensive houses	High	High	

6 LEGAL / FINANCIAL AND OTHER CONTROLS / POLICY MATTERS

6.1 Legal Officer's Comments (AK)

There are no legal issues arising directly from this report. However, it should be noted that it will be necessary to seek legal advice on a case by case basis when developing any proposed sites

6.2 Finance Officer's Comments (LH)

There are no financial implications arising from this report.

6.3 Diversities and Equalities Implications (AJ)

Opportunity to meet affordable housing needs

6.4 Communications

Comms. will be involved in the consultation procedures and as the schemes approach completion

7 CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with questions arising from this report should contact the following officer prior to this meeting.

Andy Jarrett, Head of Strategic Development Projects
 Telephone: 07713081278
 Email: andy.jarrett@shepway.gov.uk

The following background documents have been relied upon in the preparation of this report:

Need to list background documents (if any)

Appendix

Appendix 1 – Proposed HRA new build schemes

Appendix 1 – Proposed HRA New Build Schemes

Site Name	No.	Location	Units	Description	36 List?	Work Remaining	Assuming “go” 23/6/2015
Brook Lane	32	Sellindge	6	Garage site. Not within settlement boundary, but this is due to be reassessed, likely to be viewed as an exception due to affordable housing development.	Yes	Site Appraisal Feasibility On site	Complete 12 weeks – Oct 2015 10 months – Aug 2016
Broomfield Crescent	40	Folkestone	9	General Fund owned Car Park. Some potential ownership issues, not a blocker.	No	Site Appraisal Feasibility On site	12 weeks – Oct 2015 12 weeks – Jan 2016 10 months – Nov 2016
Digby Road	41	Folkestone	9	General Fund owned Car Park. Possibility of Opportunitas part development	No	Site Appraisal Feasibility On site	12 weeks – Oct 2015 12 weeks – Jan 2016 10 months – Nov 2016
Roman Way	63	Cheriton	8	Open space adjacent to existing block.	Yes	Site Appraisal Feasibility On site	Complete Complete, pending approval. 10 months – May 16

This page is intentionally left blank

NOT FOR PUBLICATION

Document is Restricted

This page is intentionally left blank