

Local Development Framework Panel Meeting

Meeting Date	25 February 2016
Report Title	Swale Community Infrastructure Levy (CIL) – Draft Charging Schedule
Cabinet Member	Cllr Gerry Lewin, Cabinet Member for Planning
SMT Lead	Kathryn Carr – Director of Regeneration
Head of Service	James Freeman – Head of Planning
Lead Officer	James Freeman – Head of Planning
Recommendations	<ol style="list-style-type: none">1. Authorise the publication of the Swale Borough Community Infrastructure Levy Preliminary Draft Charging Schedule for public consultation;2. Authorise the Head of Planning in consultation with Cabinet Member for Planning to make minor amendments before commencement of public consultation.

1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to update members on the work that is being undertaken to prepare a Community Infrastructure Levy (CIL) for Swale and seek approval that a Preliminary Draft Charging Schedule is published for public consultation for six weeks during early Spring 2016.

2 Background

- 1.2 The Community Infrastructure Levy (CIL) is a charge that Local Authorities can levy on all new development in their area to fund infrastructure improvements related to new development. The Planning Act (2008) and the Community Infrastructure Levy Regulations (2010) (as amended) sets out the legislative framework. The Planning Act 2008 provides a broad definition of infrastructure projects which can be funded by the levy including transport, flood defences, schools, hospitals and other health and social care facilities. Affordable housing is an obvious example of the type of infrastructure explicitly excluded from the process
- 1.3 The CIL is intended to supplement other funding streams. For example, a number of contributions will still be acquired through S.106 planning obligations. These include affordable housing requirements and site specific infrastructure. However, the range and monetary value of S.106 planning obligations will fall with the introduction of a CIL because an authority is not permitted to charge the developer twice via s.106 and via CIL. Indeed, the Council will need to make it clear what infrastructure it intends to deliver via CIL and what is delivered by S.106 through a Section 123 List.

- 1.4 Since April 2015 the use of tariff based S.106 obligations has been restricted to only allowing local planning authorities to enter into five planning obligations to secure funding for the same item of infrastructure. This will seriously limit the ability of the Council to raise funds from S.106 in the longer term and it is therefore essential that the CIL is implemented.
- 1.5 The CIL takes the form of a charge per square metre of additional floorspace (new build or extensions) and can be charged for most new developments. The Council has flexibility over what the funds are spent on, provided it is on 'infrastructure'. Unlike S.106, CIL does not require the authority to say precisely where every one pound collected from a specific developer will be spent. Each pound simply goes into a CIL 'pot', and then the Council determines what infrastructure to spend it on and when.
- 1.6 Another important element of the CIL is that it is non-negotiable. Once a CIL is in place, a developer/landowner must pay the set rate. There is no room for negotiation, either higher or lower, irrespective of whether the Council or developer / landowner would like to. This gives developers and businesses more certainty at the start of the process as to the overall amount of money a development will be required to pay in order to mitigate the wider impacts of their development. However, where a development scheme becomes unviable due to a CIL charge that would arise, there is nothing the Council or the developer can do to relax the Levy.

3 Proposal

- 1.7 As members are aware, the Council has recently been subject to public examination of its Submission Local Plan. It is anticipated that the Planning Inspector is likely to issue her Interim Findings by March 2016 and that will include a requirement to identify further sites to meet a higher housing target. This would in turn require a reopening of the examination later in the year with the intention of adopting a Local Plan early 2017. The proposed programme for the introduction of the CIL charge has been coordinated to run in parallel with the Local Plan adoption process but with different dates to ensure the planning policy position required runs in advance of decisions on CIL:

Preliminary Charging Scheme (6 week consultation)	- March to May 16
Submission Charging Schedule (6 week consultation)	- Aug to Oct 16
CIL Examination	- Dec16 / Jan 17
Adoption / Implementation	- Mid 2017

- 3.2 In order for the Council to establish a CIL, the following evidence base is required to support the proposed charges:

- The Council's Infrastructure Implementation and delivery Schedule will be amended to highlight and demonstrate that a significant funding gap exists between what is needed and what is funded;
- A viability assessment to demonstrate what the proposed development within the Borough can afford to pay in terms of CIL; and

- Explain the approach to be taken in adopting a Regulation 123 list of infrastructure items to be funded by CIL.

Infrastructure Implementation and Delivery Schedule

- 3.3 An Infrastructure Implementation and Delivery Schedule (IIDS) was prepared as part of the evidence base for the Submission Local Plan 2015. There is clearly a funding gap that exists between what is needed and the currently identified funding and the IIDS will be amended to demonstrate the gap. As such this procedural requirement will be satisfied and demonstrates that CIL would make a positive contribution to help facilitate the infrastructure delivery within the Borough.

Preliminary CIL Charging Scheme

- 3.4 To develop evidence on viability, specialist consultants Peter Bretts Associates (PBA) were engaged to carry out a viability assessment for the Local Plan and for the introduction of CIL. These have been reported to the LDF Panel previously in progressing the Local Plan to submission stage. The latest addendum report is appended to this report – Appendix I. The purpose of the addendum report is to update the cost and value assumptions to establish the maximum level of developer contributions for CIL against different development uses (using the Use Classes Order); the recommended level of affordable housing and the cumulative viability implications of these and other policies in the emerging Local Plan.
- 3.5 A summary of the viability findings and study recommendations are included at Page 28 of the addendum study at appendix I. The main conclusions are:
- Whilst there has been improvement in viability across the borough, it has been marginal;
 - The appraisal demonstrates a need for a trade-off between the need to deliver infrastructure and the need to meet affordable housing needs – this is reflected with the stated Submission Local Plan policy D8 regarding affordable housing – see Appendix II;
 - That further testing does suggest that a CIL rate should be applied to older people's housing; and
 - That the North West Sittingbourne housing allocation should have a nil CIL rate applied on the basis that the development would be expected to provide significant land and funding for the required primary/secondary school and to support significant funding for transport and highway junction improvements which would be secured through a site specific S.106 / S.278 agreements
- 3.6 The rates proposed include a 35% headroom rate as used by many other Local Planning Authorities who have adopted CIL recently to ensure there is built in resilience to cater for potential varying viabilities across sites. Any reduction in headroom rates would be likely to be opposed by developers which could pose a threat to the soundness of the Council's case at examination and delay implementation of CIL. It should be noted that the Council are in a position to review any CIL charging scheme on a regular basis to take account of market viability changes – say every two to three years.

- 3.7 Based on the PBA evidence, it is therefore recommended that the Council consults and defends at a subsequent examination if required, based on the following Draft charging schedule:

The Residential CIL	
North West Sittingbourne	£0 per sqm CIL
Sittingbourne and Iwade	£51 per sqm CIL
Sheppey	£0 per sqm CIL
Faversham	£104 per sqm CIL
Rest of Borough	£250 per sqm CIL
Extra care and retirement dwellings	£125 per sqm CIL
Non residential CIL	
Retail development within all identified centres	£0 per sqm CIL
Out of centre retail	£130 per sqm CIL
All other forms of liable floorspace	£0 per sqm CIL

The nil charge for non residential, excluding out of town retail, acknowledges the marginal viability position with regard to those particular uses and the need to ensure employment provision is not stymied by any CIL charge.

- 3.8 A draft map setting out the proposed charging areas to correspond with Policy DM 8 of the emerging Local Plan will be presented at the meeting.

Regulation 123 list

- 3.9 CIL will not generate sufficient funding to pay for the entire infrastructure needs across the Borough. Nevertheless, the Council needs to agree and publish its intentions for how revenue raised from the levy will be spent. This is done through the Reg.123 list. It should be noted however, that simply because a project or infrastructure theme goes onto the Reg 123 list, it does not mean the project will definitely happen or get paid for through CIL funds. However, it does mean that said project must not receive any funding from S.106. At this stage the Council would only need to set out its broad approach to how it is likely to establish its Reg 123 List although a more detailed listing is required for the formal publication stage in advance of an examination.

- 3.10 As Reg 123 lists have been developed nationally, experience has shown that there is normally a need to identify both broad areas of infrastructure e.g. townscape improvements; and some specific infrastructure items e.g. a named school or highway scheme; noting that this would mean that developer contributions for these specific items could not be secured through S.106 obligations. Therefore a judgement needs to be made on how best to secure funding as a too broad a description of the infrastructure to be funded by CIL, could preclude any S.106 contributions for any such facilities. Additionally, where a large development could generate the need for say its own primary school or sports pitches; it would most likely be appropriate for this to be secured through a S106 obligation.
- 3.11 Appendix III sets out the draft statement to accompany the CIL charging scheme setting out the proposed approach of the Council to establishing its Reg 123 List.

4 Alternative Options

- 4.1 The Council could decide to not progress a CIL and rely on S.106 negotiations to fund development related off site infrastructure. However, this is not advised given that the restriction of only being able to pool a maximum of five separate development contributions towards a major infrastructure item would limit the ability to fund such schemes and undermine the Council's ability to provide adequate infrastructure to meet its development requirements.

5 Consultation Undertaken or Proposed

- 5.1 Consultation to date has been confined to the Strategic Management Team and the Cabinet Member for Planning. The purpose of this report is to agree to a draft CIL charging scheme for public consultation. Once these comments have been taken into account in modifications to the scheme, the CIL charging scheme would then be formally submitted to the Secretary of State for the purpose of a public examination if required and a PINS inspector would be appointed to consider the soundness of the proposed CIL charging schedule and associated supporting evidence.

6 Implications

Issue	Implications
Corporate Plan	<p>The CIL will impact on all the Corporate Plan priorities.</p> <p>A Borough to be proud of - The use of CIL income to bring forward key items of infrastructure to facilitate economic growth and to protect the built and natural environment</p> <p>A community to be proud of - To support the infrastructure needs of the local community</p> <p>A Council to be proud of - To ensure an efficient administrative and governance framework is in place to secure and spend CIL.</p>

Financial, Resource and Property	<p>The costs of instigating the CIL can be met from the existing service budget. The costs of setting up the administrative and governance arrangements and its ongoing operation can be met from the CIL receipts up to a maximum of 5% of the annual income.</p> <p>Any CIL income is ring fenced for the purposes of providing new infrastructure to meet the needs generated by new development and can only be used on infrastructure items included on the Reg 123 List noting that 15% (25% if within a neighbourhood plan designation) of the income would be transferred to the Parish Council to be used by them on local infrastructure items.</p> <p>At this stage it is not possible to accurately forecast the CIL receipts due to the complicated nature of levying the new charge, although we would be expecting to collect millions of pounds on an annual basis once the scheme has been fully operational for a 2 to 3 year period as planning permissions move to starts on site.</p>
Legal and Statutory	<p>Work on the swale CIL including consultation on a Preliminary Draft Charging Schedule and publication of a draft Charging Schedule will be in accordance with the planning Act 2008 and Community Infrastructure Regulations 2010 since amended by the CIL Regulations of 2011, 2012, 2013 and 2014 and National Planning Practice Guidance as amended in June 2014.</p>
Crime and Disorder	<p>None identified at this stage'</p>
Sustainability	<p>None identified at this stage'</p>
Health and Wellbeing	<p>None identified at this stage'</p>
Risk Management and Health and Safety	<p>None identified at this stage'</p>
Equality and Diversity	<p>The DCLG undertook an equalities impact assessment of the CIL legislation and regulations in January 2012 and concluded that:</p> <p>'The CIL is unlikely to have an adverse impact on any social group. By making communities more sustainable, the CIL will facilitate economic growth and liveability and so create opportunity for all. The infrastructure and services that the CIL will provide will enhance accessibility and liveability for all sectors of society and could help deliver new infrastructure that serves different needs in the community, for example by increasing mobility and accessibility'.</p> <p>Additionally, the CIL charging scheme will be informed by the emerging local Plan which has been subject to its Equalities Impact assessment.</p> <p>If after consultation and examination the Council decides to adopt the CIL, it must ensure that:</p> <ul style="list-style-type: none"> • There is a transparent governance structure in place (including clear priorities and criteria) for allocating CIL funding or granting

	<p>discretionary relief from CIL charges;</p> <ul style="list-style-type: none"> • All decisions on allocating funds or granting discretionary relief are fair and consistent, consider the needs of the local communities and businesses and adhere to the council's Public Sector Equality Duty; • The Annual Monitoring Report (AMR) reflects on relevant equalities and diversity aspects and reports on adverse impacts identified, if any.
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5 Appendices

7.1 The following documents are to be published with this report and form part of the report

- Appendix I: Swale Borough Council Local Plan Viability Testing Addendum Report part 1: Community Infrastructure Levy Update - September 2015;
- Appendix II: Policy DM 8 of bearing Fruits 2031 – The Swale Borough Local Plan Publication version December 2014
- Appendix III: Supporting Statement to Charging schedule

8 Background Papers

Bearing Fruits 2031; the Swale Borough Local Plan part 1; Publication version, December 2014

Implementation and Delivery Schedule December 2014 – The swale Borough Local Plan Part 1

SBC Local Plan Viability Testing Economic Viability Study September 2014



Swale Borough Council

Local Plan Viability Testing

Addendum Report Part 2: Testing of specific sites

September 2015

On behalf of **Swale Borough Council**



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1 Introduction

- 1.1.1 In September 2014, PBA were commissioned to undertake an economic Viability Assessment of proposals to be brought forward in Swale Borough Council Development Plan.
- 1.1.2 The objective of the study (titled **Swale Borough Council Local Plan Viability Testing**) was to help inform the decisions by locally elected members about the risk and balance between the policy aspirations of achieving sustainable development and the realities of economic viability. The report provided guidance on:
- The maximum level of development contributions, including potential for a Community Infrastructure Levy (CIL);
 - The recommended level of affordable housing in policy that will work with the recommended development contribution, including a potential CIL; and
 - The cumulative viability implications of these and other policy costs.
- 1.1.3 In order to accurately provide information regarding these decisions it is important, and set out in planning guidance, that relevant, up-to-date costs and values are used as part of the testing.
- 1.1.4 PBA has issued a report 'Local Plan Viability Testing Addendum Report Part 1 that updates the information on costs and values and tests a wider range of generic typologies.
- 1.1.5 In addition, PBA have also been asked to test a range of specific sites that are identified in the Plan and a range of specific sites from the SHLAA. This is to help further demonstrate to the Examination that the identified sites are deliverable with the proposed policies of the Plan.
- 1.1.6 It is intended that that this addendum is read in conjunction with the original report **Swale Borough Council Local Plan Viability Testing** and also the **Addendum Part 1: Community Infrastructure Levy Update** as the same approach to testing has been undertaken and many of the assumptions used in testing are also the same. Where a different approach is taken will be highlighted in following chapters.

2 Findings from Part 1 study

2.1 Conclusions: Residential testing

- 2.1.1 Our testing in Part 1 identified a clear difference in viability between the four value areas; Faversham, Sittingbourne, Sheppey and Rural. Of the four areas, both Faversham and Rural locations were considered the most viable, and could accommodate a rate of 35% and 40% respectively and a CIL charge. Conversely, Sheppey and Sittingbourne were considered significantly less viable. In Sheppey, our testing recommended that development could not provide an affordable housing contribution or CIL. In Sittingbourne, with the exception of the North West Sittingbourne site (where we recommend a zero CIL rate), it was found developments could accommodate a CIL charge and an affordable rate of 10%. These findings are broadly consistent with those found within the original report. Our full recommendations are listed in Table 2.1 below:

Table 2.1: Recommended affordable housing and CIL rate

Area/Use	Affordable housing rate	Recommended CIL rate (with a 35% buffer)
Faversham	35%	£104
Sittingbourne (except NW Sittingbourne)	10%	£51
Site at North West Sittingbourne	10%	Zero rate
Sheppey	0%	Zero rate
Rural	40%	£250

2.2 Conclusions: Older people dwellings

- 2.2.1 In terms of older people dwellings, our testing showed that there was little scope for CIL and affordable housing for either retirement or extracare properties within Sheppey and Sittingbourne. For the higher value areas of Faversham and Rural locations, we presented a range of options available to the council which are summarised in Table 2.2.

Table 2.2: Recommended affordable housing options and CIL rate

Rural areas	Recommended Affordable Housing % and CIL rate
Retirement dwellings and extra care units in Faversham and Rural areas	Option 1: 20% affordable housing and £20 CIL rate
	Option 2: 10% affordable housing and £80 CIL rate
	Option 3: 0% affordable housing and £125 CIL rate
Retirement dwellings and extra care units in Sittingbourne and Sheppey	Zero % affordable housing rate and Zero CIL rate

2.3 Conclusions: Non-residential testing

- 2.3.1 Finally, Part 1 provided an indication of viability for Non-residential units. Consistent with the previous report it was found that only retail floorspace outside of the town centre could accommodate a CIL rate, which we suggested should be £130 per square metre. It was recommended that all other non-residential development is exempt. These recommendations are summarised in Table 2.3.

Table 2.3: Non Residential recommendations

	Recommended CIL rate
Retail floorspace outside of defined town centres	£130 per square metre
All other forms of non-residential liable floorspace	£0 per square metre

3 Testing of additional sites

3.1 Typologies of additional sites tested

- 3.1.1 In both the 2014 report and the Addendum Part 1 update in September 2015, the approach was to test a range of generic site options which represented future supply in Swale. These were made up of a mix of actual proposed sites and typologies which reflected broad site sizes and locations that were identified in the proposed Submitted Plan.
- 3.1.2 As table 3.1 illustrates the majority of housing identified in the Submitted Plan is located with Sittingbourne and Sheppey (76%), with the remained in Faversham and the rural areas. Therefore the focus for testing should be at Sittingbourne and Sheppey.

Table 3.1 Broad location of housing supply (Submitted Plan)

Broad location	Anticipated supply	Proportion of supply
Sittingbourne	4,059	49%
Sheppey	2,194	27%
Faversham	1,052	13%
Rural areas	904	11%
Total	8,209	

- 3.1.3 Within Sittingbourne the largest allocation is an urban extension (NW Sittingbourne, which has been allocated for 1,350 dwellings) and a range of smaller sites such as Milton Pipes (235 dwellings) and Crown Quay Lane (491 dwellings). The majority of the remaining supply already has the benefit of of planning permission.
- 3.1.4 In Sheppey the three key sites are at Thistle Hill, Minster (428 dwellings), West of Rushenden Road (480 dwellings) and South of Queenborough Creek (380 dwellings).
- 3.1.5 These six sites make up or are representative of the majority of supply of housing within the borough that is yet to benefit from planning permission. Not all sites have been tested as some are already permitted or are very similar in size and location to those tested. The sites to be tested within this report are set out in Table 3.2, which includes details of the gross site area, the net site area and the number of dwellings. The table also shows the contribution in Gypsy and Traveller pitches, should that policy apply.

Table 3.2 Strategic local plan sites tested

ID	Local Plan sites	Nominal Location	Dwelling Capacity	Gross area (ha)	Net area (ha)	G&T pitches
SW/040	Land north of Quinton Road	Sittingbourne	1,180*	60.90	30.45	12
SW/111	Milton Pipes,	Sittingbourne	235	4.00	2.90	2

SW/326	Thistle Hill, Minster	Sheppey	426	11.60	8.41	4
SW/335	West of Rushenden Road	Sheppey	480	13.30	9.64	5
SW/337	Crown Quay Lane,	Sittingbourne	491	19.30	12.06	5
SW/370	South of Queenborough Creek	Sheppey	380	7.00	5.08	4

*Dwelling figure adjusted to reflect discussion with site promoter

- 3.1.6 As well as testing the sites identified in the Submitted Plan, the Council also requested that a number of sites shown in the SHLAA work are subjected to more detailed viability testing to determine whether they would be viable should further supply of housing be required, following discussions on housing numbers at the Examination. These additional sites have been identified by the Council and it is understood that the sites identified are those that would still meet the overall broad objectives of the spatial strategy in terms of location of growth, if further housing supply is required. This report does not seek to undertake detailed testing of all SHLAA sites and makes no recommendations as to whether these sites are more or less viable than either those shown in the Submitted Plan or other sites within the SHLAA work.
- 3.1.7 To illustrate the approach to selecting the additional sites for testing, if these additional sites are included within the figures set out in Table 3.1, it can be seen that the distribution strategy is broadly similar in percentage terms as set out in the Submitted Plan.

Table 3.3 Broad location of housing supply (Submitted Plan plus additional sites from SHLAA work)

Broad location	Anticipated supply	Proportion of supply
Sittingbourne	4,679	44%
Sheppey	2,862	28%
Faversham	1,548	14%
Rural areas	1,602	15%
Total	10,691	

- 3.1.8 The second set of tested sites, total 17 and are set out in Table 3.4. As with the first set, the table includes details of gross site area, the net site area, number of dwellings and Gypsy and Traveller pitches where applicable.

Table 3.4 Additional sites tested

ID	Additional sites	Nominal Location	Dwelling Capacity	Gross area (ha)	Net area (ha)	G&T pitches
SW/454	Doubleday Lodge	Sittingbourne	20	0.43	0.35	0
SW/334	Land at Graveney Road	Faversham	60	2.90	2.10	1
SW/457	Land at Chequers Road	Sheppey	20	0.40	0.33	0
SW/159	Land adj. Dantlings, Plough Road	Sheppey	8	0.20	0.20	0

SW/165	Belgrave Road	Sheppey	140	5.00	3.63	1
SW/194	Barton Hill Drive	Sheppey	500	25.00	15.63	5
SW/010	The Tracies, Calloways Lane	Rural (rest of the borough)	15	0.30	0.30	0
SW/123	Land east of Iwade	Rural (rest of the borough)	346	11.10	8.05	3
SW/183	Land south east of Iwade	Rural (rest of the borough)	89	2.70	1.96	1
SW/086	Jubilee Fields	Rural (rest of the borough)	40	1.73	1.43	0
SW/128/ 436/37	Land east and west of Wises Lane	Sittingbourne	600	29.63	18.52	6
SW/413	Perry Court Farm	Faversham	310	8.85	6.42	3
SW/441	West Brogdale Road	Faversham	66	3.55	2.57	1
SW/407	Land off High Street	Rural (rest of the borough)	82	2.93	2.12	1
SW/410	Land adj. School Lane	Rural (rest of the borough)	40	2.20	1.60	0
SW/453	Land at School Lane	Rural (rest of the borough)	24	0.80	0.66	0
SW/101	Land at Hempstead Lane	Rural (rest of the borough)	62	1.93	1.59	1

3.2 Assumptions

- 3.2.1 To ensure consistency with the generic testing set out in the Part 1 report, the general method and many of the broad assumptions used are the same. However, as this assessment is considering specific sites it was considered appropriate to seek the views of those developing and promoting the sites to ascertain the suitability of the generic assumptions.
- 3.2.2 Where contact details were known for the local plan sites each developer/promoter was contacted to check on broad assumptions on values, costs and housing delivery trajectory. Unfortunately feedback was only received on half of the sites and therefore the more generic assumptions have remained on most of the sites. However, from the information that was received it was confirmed that many of the generic assumptions were appropriate to use.
- 3.2.3 Where feedback has differed from the generic assumptions, amendments have been made to reflect the alternative figures. In particular consultees were able to provide us with a breakdown of the (known or estimated) types of housing that are likely to be brought forward on the sites, which we have included into the appraisals. Where known, PBA have also updated the estimated timeframes for the various sites. Some site promoters were also able to provide a figure regarding what they envisage s106 and s278 payments to be, which have also been incorporated into the model for those sites.

3.3 Recommendations

- 3.3.1 PBA have tested the typologies at the affordable housing rates set out in the Addendum Part 1 update report, and are set out in Table 3.5. The table also outlines the CIL suggested in Part

- 1, against the headrooms identified in the Part 2 testing. The final column concludes whether the site is able to accommodate the recommended CIL rate.
- 3.3.2 In terms of the three sites in Sheppey, the viability results identify that there continues to be a viability issue in terms of delivering sites at Sheppey, confirming the approach set out in the 2014 report of minimising costs of development in terms of affordable housing and CIL to provide the best opportunity for delivery.
- 3.3.3 For Sittingbourne, based on our understanding of the sites, Milton Pipes (SW/111) and Crown Quay Lane (SW/337) are viable and can deliver the required level of affordable housing and CIL, albeit slightly marginal at the Crown Quay site.
- 3.3.4 As suggested in the Part 1 report, the site at the land North of Quinton Road is viable with minimal levels of affordable housing and CIL. It is clear from the testing that the site is unlikely to be able to afford both S106 contributions of circa £17m (as suggested by the site promoter, which includes provision for education and other site specific mitigation) and affordable housing at 10% as well as a CIL contribution. Therefore the recommendation of 10% affordable housing and zero CIL as set out in the Part 1 report remains an appropriate approach to limit risks to delivery.

Table 3.5 Viability results of local plan strategic sites

ID	Generic Site	Nominal Location	Affordable housing %	CIL recommended Part 1	Cil Liable Headroom (£ per sq.m)	Able to pay recommended CIL rate?
SW/040	Land north of Quinton Road	Sittingbourne	10%	£0	£38	Yes
SW/111	Milton Pipes,	Sittingbourne	10%	£51	£125	Yes
SW/326	Thistle Hill, Minster	Sheppey	0%	£0	£63	-
SW/335	West of Rushenden Road	Sheppey	0%	£0	-£14	-
SW/337	Crown Quay Lane,	Sittingbourne	10%	£51	£59	Yes
SW/370	South of Queenborough Creek	Sheppey	0%	£0	£7	-

- 3.3.5 In terms of the second set of sites, Table 3.6 sets out the applicable affordable housing and CIL rates recommended in Part 1 in comparison with achieved headrooms. From the table we are able to conclude the following:
- Sites in **Sheppey** are viable, but the headrooms are still relatively marginal, suggesting the recommended policy approach towards affordable housing and CIL is appropriate.
 - In **Faversham**, all the sites are viable and able to deliver policy requirements on CIL and affordable housing.
 - For **Sittingbourne**, the testing showed that Doubleday Lodge is viable but that the site at Wises Lane is marginal. It is noted that density at this site is slightly lower than might be expected and there is also an allowance for six Gypsy and Traveller pitches. Therefore there is scope for negotiation on the number of units and other policy requirements which may enable the site to be less marginal.
 - In terms of the **Rural** sites, it can be seen that all are viable with the suggested affordable housing rate and with the exception of one site (Land adj. to School Lane SW/410) they are viable with the proposed CIL rate. Whilst the School Lane site was not viable with 40% affordable housing and the CIL rate at £250 per square metre there could be

opportunity to reduce policy burdens through negotiation which will allow a variable CIL rate.

Table 3.6 Viability results of additional sites

ID	Generic Site	Nominal Location	Affordable housing %	CIL recommended Part 1	Cil Liable Headroom (£ per sq.m)	Able to pay recommended CIL rate?
SW/454	Doubleday Lodge	Sittingbourne	10%	£51	£145	Yes
SW/334	Land at Craveny Road	Faversham	35%	£104	£307	Yes
SW/457	Land at Chequers Road	Sheppey	0%	£0	£38	Yes
SW/159	Land adj. Dantlings, Plough Road	Sheppey	0%	£0	£45	Yes
SW/165	Belgrave Road	Sheppey	0%	£0	£17	Yes
SW/194	Barton Hill Drive	Sheppey	0%	£0	-£43	Yes
SW/010	The Tracies, Calloways Lane	Rural	40%	£250	£520	Yes
SW/123	Land east of Iwade	Rural	40%	£250	£418	Yes
SW/183	Land south east of Iwade	Rural	40%	£250	£460	Yes
SW/088	Jubilee Fields	Rural	40%	£250	£264	Yes
SW/126/436/37	Land east and west of Wises Lane	Sittingbourne	10%	£51	£20	No
SW/413	Perry Court Farm	Faversham	35%	£104	£332	Yes
SW/441	West Brogdale Road	Faversham	35%	£104	£130	Yes
SW/407	Land off High Street	Rural	40%	£250	£375	Yes
SW/410	Land adj. School Lane	Rural	40%	£250	£178	No
SW/453	Land at School Lane	Rural	40%	£250	£352	Yes
SW/101	Land at Hempstead Lane	Rural	40%	£250	£373	Yes

3.4 Conclusion from testing

- 3.4.1 The site specific testing for local plan sites shows that most of these sites are deliverable with the policy requirements and recommended CIL rates. As is normal for plan wide assessments there is the odd exception, however in this case it is considered that a higher density or revised site size would overcome the viability concerns.
- 3.4.2 In general, the site specific testing demonstrates that the spatial distribution is achievable but compromises are required, as set out in the 2014 report, in terms of infrastructure funding and affordable housing delivery. The Council, in common with many authorities, will therefore need to explore alternative methods to deliver affordable housing and seek funding for key strategic infrastructure from others sources such as the LEP.
- 3.4.3 In terms of the additional testing it can be seen that higher housing numbers are deliverable, whilst maintaining a broadly similar approach to the spatial strategy in terms of distribution. Nearly all of the identified sites are deliverable at the same rates of affordable housing and proposed CIL as used for the submitted local plan sites. As with the submitted local plan sites there are a couple of exceptions but again changes in the mix and scale of development or

changes in the provision of negotiated aspects such as Gypsy and Traveller contributions or affordable housing will enable these sites to come forward.

- 3.4.4 As an illustration as to the potential CIL contribution from these additional sites Table 3.6 sets out the total amount of CIL that could be realised if the additional sites are included within the future housing supply. In summary the CIL return has risen nearly £15m from £29.8m to £44.6m with the inclusion of the additional sites.

Table 3.6 Total potential CIL including submitted Local Plan supply and additional sites

Value area	Dwellings	Dwellings minus affordable housing	CIL rate (per sqm)	CIL receipt
Sittingbourne	3,300	2,970	£51	£13.6m
NW Sittingbourne	1,350	1,215	£0	
Faversham	1,548	1,008	£104	£9.4
Sheppey	2,862	2,862	£0	
Rural (rest of the borough)	1,602	961	£250	£21.6
Total	10,691	9,014		£44.6m

Policy DM 8 - Affordable housing

For development proposals of ten or more dwellings and where a need to provide affordable housing has been determined as appropriate (including within a rural area as determined by a Parish Housing Needs Assessment), provision will be made for affordable housing (including those for Gypsies and Travellers) as follows:

1. In accordance with the affordable housing target ranges and as appropriate to the local housing market areas as follows:

Table 7.3.1 Affordable Housing Ranges

Table 7.3.1 Affordable Housing Ranges	
Area	Affordable Housing Percentage Sought
Isle of Sheppey	No affordable housing requirement
Sittingbourne town, urban extensions and Iwade	10% affordable housing
Faversham town and urban extensions	30% affordable housing
All other rural areas	40% affordable housing

2. The size and type of affordable housing units in accordance with the needs of the area;
3. Where possible, by designing homes for use by disabled, elderly and vulnerable residents;
4. In exceptional circumstances, and in accordance with a supplementary planning document to be prepared by the Borough Council:
 - a. on-site affordable housing provision may be commuted to a financial contribution to be used off-site, singly or in combination with other contributions. Commuted sums may also be considered in respect of sites at Faversham and the rural areas so as to support the provision of affordable housing in less viable locations; or
 - b. where no Registered Social Landlord is available, the full affordable housing provision requirement will be cascaded to another provider and/or site or via a commuted sum, its calculation having regard to the full amount of market housing that has been achieved on the site; or
 - c. where an applicant can demonstrate that providing the full affordable housing provision would result in the scheme becoming unviable, a reduced requirement may be considered and will be subject to a legal agreement to ensure that full provision of affordable housing is reconsidered should land values rise prior to the commencement of development or any subsequent phases and/or an adjustment made to the tenure split.
5. If evidence demonstrates that economic conditions have positively changed the impact of viability of the provision of affordable housing, the Council will seek a proportion of affordable housing closer to the assessed level of need.

Please note this Policy will be subject to main modifications.

Supporting Statement to the draft Preliminary CIL Charging Scheme

The infrastructure listed below is an initial view on the infrastructure items which would be eligible to be funded through the Community Infrastructure Levy (CIL). The Council would wish to receive comments on this list and will then consider modifications and clarification to the list with a view to preparing a draft Regulation 123 List to accompany the Draft Charging Schedule when submitted for formal consultation and examination.

The List sets out the Council's broad approach to defining potential projects and/or types/sections of infrastructure that the Council will contribute funding through CIL revenues. The List will not be definitive and in no order or priority as no formal decisions have yet been taken to confirm how CIL receipts will be allocated amongst the listed infrastructure projects. It would be used as a list to identify what CIL could be used to fund, subject to council priorities and levels of available CIL and other funding.

However, it is anticipated that the Council recognises the importance of the first two items as necessities in order to accommodate the level of growth proposed within the Local Plan. In these circumstances, the Council would be considering to allocate say 80% of available CIL funding for these major items in the first instance. The other remaining items on any Regulation 123 list would then be eligible for spend through the cumulative pooling of the remaining 20% CIL receipt.

Grovehurst road Junction with A249
Construction costs associated with the Quinton Road through School as part of North West Sittingbourne Housing allocation
New Burial plots on Sheppey
Townscape Improvements grants scheme for Faversham, Sheerness and Sittingbourne Town Centres
Bus and Cycle schemes in accordance with Swale Transport Strategy
Habitat creation for specified projects not related to SAMMS
Off site sports facilities provision
Parks improvement/maintenance grant scheme