

Community Infrastructure Levy (CIL)

Charging Schedule
February 2020



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1 Introduction

- 1.1** The CIL is a mechanism introduced through the Planning Act (2008) and the CIL Regulations (2010) to enable local authorities to raise funds to deliver infrastructure to support the development of their area. CIL charges are non-negotiable although there are some exemptions which are described in more detail later in this document.
- 1.2** The CIL Charging Schedule sets out a standard rate (£ per sq. m), based on Gross Internal Area and existing buildings, that will be payable by landowners or developers for specific types of developments within geographical locations as set out in the Charging Schedule.
- 1.3** The purpose of introducing a CIL in Canterbury District is to provide funding to support the delivery of the adopted Canterbury District Local Plan (CDLP) (2017). Planned development within the District will have an impact on infrastructure capacity and the CDLP, and its supporting strategies, seek to address these impacts through measures such as transport improvements and new community infrastructure and open spaces. The CIL Charging Schedule is therefore intended to raise monies from new development to help deliver some of these important infrastructure projects.
- 1.4** The Charging Schedule has been issued, approved and published in accordance with the legal and procedural requirements of Part 11 of the Planning Act (2008) and the CIL Regulations (2010) (as amended).
- 1.5** This CIL Charging Schedule was approved on 13 February 2020 and takes effect on 1 April 2020.

2 Infrastructure Delivery

2.1 Canterbury District Local Plan

- 2.1** The Council adopted the CDLP in July 2017. The CDLP identifies land for the provision of some 16,000 new homes, accompanied by employment and retail provision, to meet identified development needs in the District. Much of this growth is allocated across twelve “Strategic Sites” as identified in CDLP Policy SP3, while the strategic retail allocation at Wincheap is set out in Policy TCL7.
- 2.2** As required by the National Planning Policy Framework (NPPF), the CDLP identifies the key infrastructure requirements on which the delivery of the CDLP will depend. Key infrastructure requirements for the Strategic Sites are set out within Policy SP3, while further infrastructure policies are contained within the CDLP chapters on transport, education, open space and quality of life.
- 2.3** The purpose of these policies is to ensure that, through the planning system, developers are required to address or mitigate the impacts of their development on infrastructure. Necessary improvements can be secured in a number of ways; planning permissions may require that developers provide the infrastructure directly or, through legal agreements known as s106 agreements ⁽¹⁾ or through the CIL, developers can make financial contributions which infrastructure providers can use to deliver the projects themselves.
- 2.4** CDLP Policy SP5 outlines that the Council will prepare an Infrastructure Delivery Plan (IDP) and will set out its proposals for the use of the CIL and other developer contributions, following the adoption of the CDLP.

2.2 Infrastructure Delivery Plan

- 2.5** The purpose of the IDP is to identify in more detail the specific infrastructure projects which will be required to support planned development, and to outline how and when these schemes will be delivered.
- 2.6** The IDP is a “living” document and will be subject to periodic review over the lifetime of the CDLP.
- 2.7** The Council produced a draft IDP in 2014 as part of the evidence base to support the examination of the CDLP. The document drew on underpinning evidence such as the Canterbury District Transport Strategy and Canterbury Open Spaces Strategy, together with direct engagement with infrastructure providers.
- 2.8** This information was brought up to date for the IDP (2019), which was developed alongside the CIL Charging Schedule.

1 Planning obligations made under Section 106 of the Town and Country Planning Act (1990) (as amended)

- 2.9** As set out in CDLP Policy SP5, the updated IDP also sets out how the Council proposes to use the different funding routes - CIL, s106 and other mechanisms, to deliver the identified projects.

2.3 CIL and Section 106

- 2.10** The Council is required to produce a list of infrastructure types and/or projects which will be eligible to be funded wholly or partly through the CIL. The Infrastructure List therefore serves to identify how the Council intends to use CIL monies.
- 2.11** Another key purpose of the Infrastructure List is to articulate the Council's approach to developer contributions and the delivery of infrastructure required to support development, by reflecting the IDP and the outputs of the CIL viability testing.
- 2.12** The Infrastructure List is published separately to the Charging Schedule and will need to be kept under regular review over the period of the CDLP.

2.4 Funding Gap

- 2.13** As part of the evidence required to support the development of the CIL Charging Schedule, the Council must establish that there is an aggregate funding gap between the cost of infrastructure which might be eligible for CIL and the monies available to deliver that infrastructure.
- 2.14** The IDP (2019) identifies these projects and sets out, for each project, where funding is available or secured towards the scheme from a range of funding sources. The IDP (2019) identifies an aggregate funding gap of over £33m which demonstrates that the introduction of the CIL is justified.

3 Viability Evidence

- 3.1** In setting CIL charging rates, the Council is required to strike "an appropriate balance" between:
- The desirability of funding infrastructure required to support development from CIL receipts; and
 - The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across the District.
- 3.2** Although the purpose of introducing the CIL is to reduce the aggregate funding gap, setting rates too high would affect the delivery of other policy requirements, such as affordable housing, or may prevent some developments coming forward at all.
- 3.3** To provide the appropriate evidence to support the development of the Charging Schedule, the Council commissioned consultants Three Dragons to undertake a Canterbury District CIL Viability Study. The Study has been undertaken in accordance with relevant guidance, and has been informed by local evidence and stakeholder input.
- 3.4** The CIL Viability Study necessarily takes a strategic approach to assessing the viability of different types of development, and in different locations across the District, to determine the potential for charging CIL, and the rates at which charges can be set without affecting the economic viability of planned development. Rather than specifically assessing each individual development site across the District, the Study assesses a series of hypothetical development proposals or "typologies" which reflect the types of development which are expected to come forward over the period of the CDLP.
- 3.5** The purpose of the Study, in broad terms, is to assess these typologies by taking account of all "costs" associated with the development - including construction costs, land value and policy costs such as infrastructure and affordable housing - and comparing this to the value generated by the development, to determine whether there is scope or "headroom" to charge the CIL. It is necessary to assess whether this headroom varies geographically across the District, for instance due to residential sales values being higher or lower in certain areas, to establish whether different CIL charges should be applied in different locations. Where uses or locations are identified as having no such headroom, then £0 CIL charges will need to be set.
- 3.6** To develop recommendations on specific charging rates, the Study calculates the average of the headroom figures identified for the groups of development typologies; strategic sites, small and medium residential development sites, student developments and so on, to identify a theoretical maximum CIL charge for the types of development in locations across the District.

- 3.7** However, government guidance asserts that CIL charges should not be set at the limits of viability, and CIL authorities will usually apply a significant "buffer" of 30% or 50% to this maximum in order to demonstrate that the charges strike the appropriate balance as required by the CIL Regulations.
- 3.8** The application of a significant buffer reflects the strategic nature of the study - individual development sites will inevitably raise specific issues which will mean that headroom will vary from development to development. The Study recommends that a 50% buffer be applied consistently across each CIL charging rate to ensure that the introduction of the CIL does not adversely affect the delivery of development or the other key policy requirements, such as affordable housing, housing mix or open space provision, which are key objectives of the CDLP.
- 3.9** A further test, which is commonly applied by CIL Examiners and local authorities, is to establish whether the proposed CIL charges exceed 5% of Gross Development Value (GDV). The Study recommends that, where the headroom figure remains above 5% of GDV after the 50% buffer is applied, the rates be further moderated to ensure they fall within this threshold.

3.1 Viability Testing

3.1.1 Residential

- 3.10** The CIL Viability Study has tested broad typologies which reflect the type, scale and location of residential development expected to come forward over the period of the CDLP. This includes typologies of 1000 and 300 homes reflecting the strategic development sites, and a range of smaller typologies, on both greenfield and brownfield land, which reflect other housing allocations and windfall development as set out in the CDLP.
- 3.11** Wholly flatted schemes, student developments and older persons housing (care homes, sheltered/retirement housing and supported housing) have also been assessed.
- 3.12** The full list of typologies tested is set out in table 4.1 below.

Table 3.1

Description	Dwellings	Market Value Area	Description	Dwellings	Market Value Area
Large Greenfield	1,000	Canterbury/ Whitstable	Small Greenfield	8	Herne Bay
Large Greenfield	1,000	Herne Bay	Small Brownfield	8	Canterbury/ Whitstable
Large Greenfield	300	Canterbury/ Whitstable	Small Brownfield	8	Rural
Large Greenfield	300	Herne Bay	Small Brownfield	8	Herne Bay
Medium Greenfield	150	Canterbury/ Whitstable	Small Greenfield	3	Canterbury/ Whitstable
Medium Greenfield	150	Rural	Small Greenfield	3	Rural
Medium Brownfield	150	Canterbury/ Whitstable	Small Greenfield	3	Herne Bay
Medium Greenfield	75	Canterbury/ Whitstable	Small Brownfield	3	Canterbury/ Whitstable
Medium Greenfield	75	Herne Bay	Small Brownfield	3	Rural
Medium Brownfield	75	Canterbury/ Whitstable	Small Brownfield	3	Herne Bay
Medium Brownfield	75	Herne Bay	Brownfield flatted (3-5 Storeys)	100	Canterbury/ Whitstable
Medium Greenfield	30	Canterbury/ Whitstable	Brownfield flatted (3-5 Storeys)	100	Herne Bay
Medium Greenfield	30	Rural	Brownfield flatted (3-5 Storeys)	20	Canterbury/ Whitstable
Medium Greenfield	30	Herne Bay	Brownfield flatted (3-5 Storeys)	20	Herne Bay
Medium Brownfield	30	Canterbury/ Whitstable	Brownfield flatted (1-2 Storeys)	8	Canterbury/ Whitstable
Medium Brownfield	30	Herne Bay	Brownfield flatted (1-2 Storeys)	8	Herne Bay
Medium Greenfield	15	Canterbury/ Whitstable	Retirement/sheltered housing	60 beds	Canterbury/ Whitstable
Medium Greenfield	15	Rural	Retirement/sheltered housing	50 beds	Herne Bay
Medium Greenfield	15	Herne Bay	Supported housing	60 beds	Canterbury/ Whitstable
Medium Brownfield	15	Canterbury/ Whitstable	Supported housing	50 beds	Herne Bay
Medium Brownfield	15	Rural	Carehome	60 beds	Canterbury/ Whitstable
Medium Brownfield	15	Herne Bay	Student Accommodation	25 beds	Canterbury
Small Greenfield	8	Canterbury/ Whitstable	Student Accommodation	250 beds	Canterbury
Small Greenfield	8	Rural			

3.13 Taking into account the significant infrastructure costs associated with the delivery of the strategic development sites, as set out in the IDP, and the importance of these sites to the effective delivery of the CDLP, the CIL Viability Study recommends that these sites should be £0 rated for CIL. This is consistent with the position set out in the CDLP and means that these sites will make contributions towards infrastructure through s106 and other mechanisms instead of the CIL.

- 3.14** For the smaller residential development sites, with more limited specific infrastructure requirements, it is clear that there is sufficient headroom to charge a CIL. The study identifies that development viability is slightly weaker in Herne Bay than elsewhere in the District, primarily due to sales values being somewhat lower, and therefore recommends a lower CIL rate for Herne Bay to ensure that development remains viable in this area.
- 3.15** Large wholly flatted schemes show weaker viability than mixed residential schemes, and a £0 rating is recommended for flatted schemes of 11 or more units.
- 3.16** Although care homes do not show sufficient viability to charge a CIL, sheltered/retirement housing and supported housing follow a similar pattern to the viability of residential development. Although these types of developments show sufficient headroom to accommodate a CIL charge in Canterbury, Whitstable and the rural areas, this is not the case in Herne Bay.
- 3.17** The development of purpose built student accommodation is also shown to be sufficiently viable to sustain CIL charges.

3.1.2 Non-residential

- 3.18** In terms of non-residential testing, the Study again examines a series of typologies which reflect the types of development likely to come forward over the period of the CDLP. This includes both convenience and comparison retail development, hotels, offices, industrial and warehousing development.
- 3.19** A full list of typologies tested is set out in Table 4.2 below.

Table 3.2

Use	Description
Office	Out of centre- Canterbury
Office	Town centre- Canterbury
Office	Out of centre- rest of district
Office	Town centre- rest of district
Industrial	Out of centre
Warehouse	Out of centre
Retail Comparison	City Centre- Canterbury
Retail Comparison	Town centre- Whitstable
Retail Comparison	Town centre- Herne Bay
Retail Comparison	Speculative out of centre/ retail warehouse/ park
Retail Comparison	Planned retail led regeneration large scale retail warehouse/ park site

Use	Description
Retail Convenience	Small local store
Retail Convenience	Supermarket
Hotel	Budget/ business

- 3.20** The Study finds that office, industrial and warehousing development are not sufficiently viable to sustain CIL charges however the testing of retail development shows a more mixed picture.
- 3.21** Supermarket development shows sufficient headroom to charge the CIL outside of town centres however small "local" convenience development is not sufficiently viable. A similar pattern emerges for comparison retail, and development within town centres is not sufficiently viable whereas speculative, out-of-town comparison retail - in the form of a retail warehouse - shows much stronger viability. The exception to this is the planned redevelopment at Wincheap Retail Area (CDLP Policy TCL7) where the report sets out that the high existing use redevelopment costs mean that there is not sufficient headroom to charge the CIL.
- 3.22** Hotel development, again outside of the town centres, also shows a degree of headroom and would support a modest CIL charge.

4 Implementation

4.1 Charging

4.1 The CIL Regulations (2010) (as amended) set out the methodology to be used to calculate the 'chargeable amount' of CIL.

4.1.1 CIL Charging Rates

4.2 The CIL charging rates below are informed by the CIL Viability Study and are considered by the Council to strike the appropriate balance as required by the CIL Regulations. The introduction of the CIL can therefore make a significant and positive contribution to the delivery of infrastructure, without affecting the economic viability and delivery of planned and anticipated development.

4.3 The geography of the identified charging zones is set out within Appendix A.

Table 4.1 Charging Schedule Rates

Zone and Use	Levy (£/sq. m)
Charging Zone A Residential development ^(a)	£187
Charging Zone B Residential development ^(a)	£82
Charging Zone A Older person housing development (retirement and supported living) ^(b)	£187
Charging Zone B Older person housing development (retirement and supported living) ^(b)	£0
Charging Zone C (strategic development sites ^(c)) All chargeable development	£0
Charging Zone D Retail development	£0
Charging Zone E (all areas not within Zone C or Zone D)	£37

Zone and Use	Levy (£/sq. m)
Supermarket development ^(d)	
Charging Zone E (all areas not within Zone C or Zone D) Comparison retail development	£178
Charging Zone E (all areas not within Zone C or Zone D) Hotel development	£34
District wide Flatted development of 11 or more dwellings where no other residential development is proposed	£0
District wide Student accommodation development	£103
District wide All other uses not identified above	£0

Table 4.2 Notes on CIL charges

Reference	Notes
(a)	CIL will not be charged on Rural Exception Sites (affordable housing-led developments allowing for a proportion of market housing where it is required to support delivery of the affordable element) as set out in CDLP Policy HD3. In these cases any value generated from the market housing is intended to subsidise the delivery of the affordable housing and form part of the viability calculations on this basis. Rural Exception Sites will therefore be treated as Affordable Housing Schemes, and will not be charged CIL.
(b)	These uses are defined as follows: Retirement housing - This is often known as “Sheltered Housing” or “Retirement Living”. Retirement Housing usually provides some facilities that you would not find in completely independent accommodation. These can include (secure main entrance, residents’ lounge, access to an emergency alarm service, a guest room. Extra facilities and services are paid for through

Reference	Notes
	<p>a service charge on top of the purchase price or rent. To move into retirement housing you are assumed to be independent enough not to need care staff permanently on site.</p> <p>Supported housing - This is often known as “Extra Care Housing” or “Assisted Living”. Everyday care and support will be available. Facilities will include those available in retirement housing plus others (such as a restaurant, communal lounges, social space and leisure activities, staff on site 24 hours a day). Service charges are likely to be higher than in retirement housing but this reflects the more extensive range of facilities.</p> <p>For the avoidance of doubt ‘Care homes’ are excluded from this older person housing charge and are separately considered as ‘All other uses’ and therefore a zero CIL rate will apply to development meeting the following definition - residential care homes or nursing homes where integral 24 hour personal care and/or nursing care are provided together with all meals. A care home is a residential setting where a number of older people live, usually in single rooms and people occupy under a licence arrangement.</p>
(c)	<p>Strategic development sites are identified within Charging Zone C in Appendix A.</p> <p>In addition to the sites identified in CDLP Policies SP3 and TCL7, Charging Zone C also includes land at two additional large development sites at Hersden - Hoplands (CA//16/00404) and Chislet Colliery (CA//16/00673).</p>
(d)	<p>A supermarket store has a majority (in excess of 50%) of its net selling area conditioned for the sale of convenience goods in a total store size of greater than 300 sqm gross.</p>

4.1.2 Instalments Policy

- 4.4** The CIL becomes payable once development has commenced and it is by default the responsibility of the landowner to pay, however developers or other parties can assume liability.
- 4.5** The CIL Regulations (2010) (as amended) establish the default position that CIL payments are due in full within 60 days of a development commencing. This is a significant departure from standard procedure for s106 agreements, where payments may be staggered over a number of instalments, and may be linked to the completion or occupation of a number of units within a development. This phased approach can assist with development cashflow and, in many cases, the infrastructure will not actually be required until some or all of the development is occupied.

- 4.6** Large developments will often apply for planning permission under an outline or hybrid application, meaning they are granted planning permission in phases. The Regulations allow for each of these phases to be charged CIL separately, assisting developers to make payments, however the default position may still affect delivery when this provision applies.
- 4.7** The Regulations therefore provide that CIL Charging Authorities may introduce a local Instalments Policy to overcome this default position and to enable CIL payments to be staged over a number of instalments. The Council has therefore approved an Instalments Policy which is published separately to this Charging Schedule.

4.2 Exemptions and Exceptions

4.2.1 Exemptions

- 4.8** As set out in the CIL Regulations (2010) (as amended) the following type of developments are exempt and therefore are not required to pay the levy:
- Development of less than 100 sq. m - unless it is a whole house, in which case the levy is payable;
 - Self-build development - a house, flat, residential annex or residential extension which is built by 'self-builders';
 - Social housing that meets the relief criteria in Regulation 49 or 49A.
 - Charitable developments that meet the relief criteria in Regulation 43 to 48;
 - Buildings into which people do not normally go;
 - Buildings into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery;
 - Structures which are not buildings, such as pylons and wind turbines;
 - Vacant buildings that are brought back into the same use;
 - Where the CIL charge is calculated to be less than £50, the chargeable amount is deemed to be zero meaning no levy is due; or
 - Mezzanine floors, inserted into an existing building, are not liable for the levy unless they form part of a wider planning permission that seeks to provide other works as well.

4.2.2 Payment in-kind

- 4.9** The CIL Regulations (2010) (as amended) provide Charging Authorities the discretion to accept land or infrastructure as in-kind payments instead of part or the whole CIL payment due in relation to a chargeable development.
- 4.10** Payment in-kind could provide benefits in specific cases; for instance, allowing more certainty of provision for developers, users and authorities. However, it could also create additional administrative burdens for the Council as Charging Authority.
- 4.11** The Council considers that, in exceptional circumstances, the policy could provide benefits, and has therefore approved a Payment in Kind Policy which is published separately to this Charging Schedule.

4.2.3 Exceptional Circumstances Relief

- 4.12** The CIL Regulations (2010) (as amended) provide that the Council may introduce an Exceptional Circumstances Relief Policy which would enable specific developments which can demonstrate that they cannot afford to pay some or all of their CIL payment to apply for relief.
- 4.13** The Council does not currently consider that it would be necessary to introduce such a policy.

4.2.4 Existing Planning Permissions

- 4.14** Developments which have already been granted planning permission and have s106 agreements prior to the implementation date of the CIL Charging Schedule will not be subject to CIL charges, provided that planning permission is implemented and does not lapse. Duplicate applications to replace lapsed applications after CIL is implemented will be charged the CIL where applicable. Specific provisions apply to development which is consented prior to the implementation of CIL and is subsequently amended under s73 of the Town and Country Planning Act (1990) (as amended) following CIL implementation, as set out in the Regulations.

5 Spending CIL

- 5.1 The Council has prepared an Infrastructure List which sets out the infrastructure types/projects which will be eligible to be funded wholly or partly through the CIL. The Infrastructure List is informed by the updated IDP and the CIL Viability Study.
- 5.2 The Infrastructure List will be kept under review and can be updated as necessary.
- 5.3 The Council will need to establish governance arrangements to provide an appropriate decision making framework for the allocation of CIL receipts towards the infrastructure projects identified in the IDP and the Infrastructure List.

5.1 Neighbourhood Portion

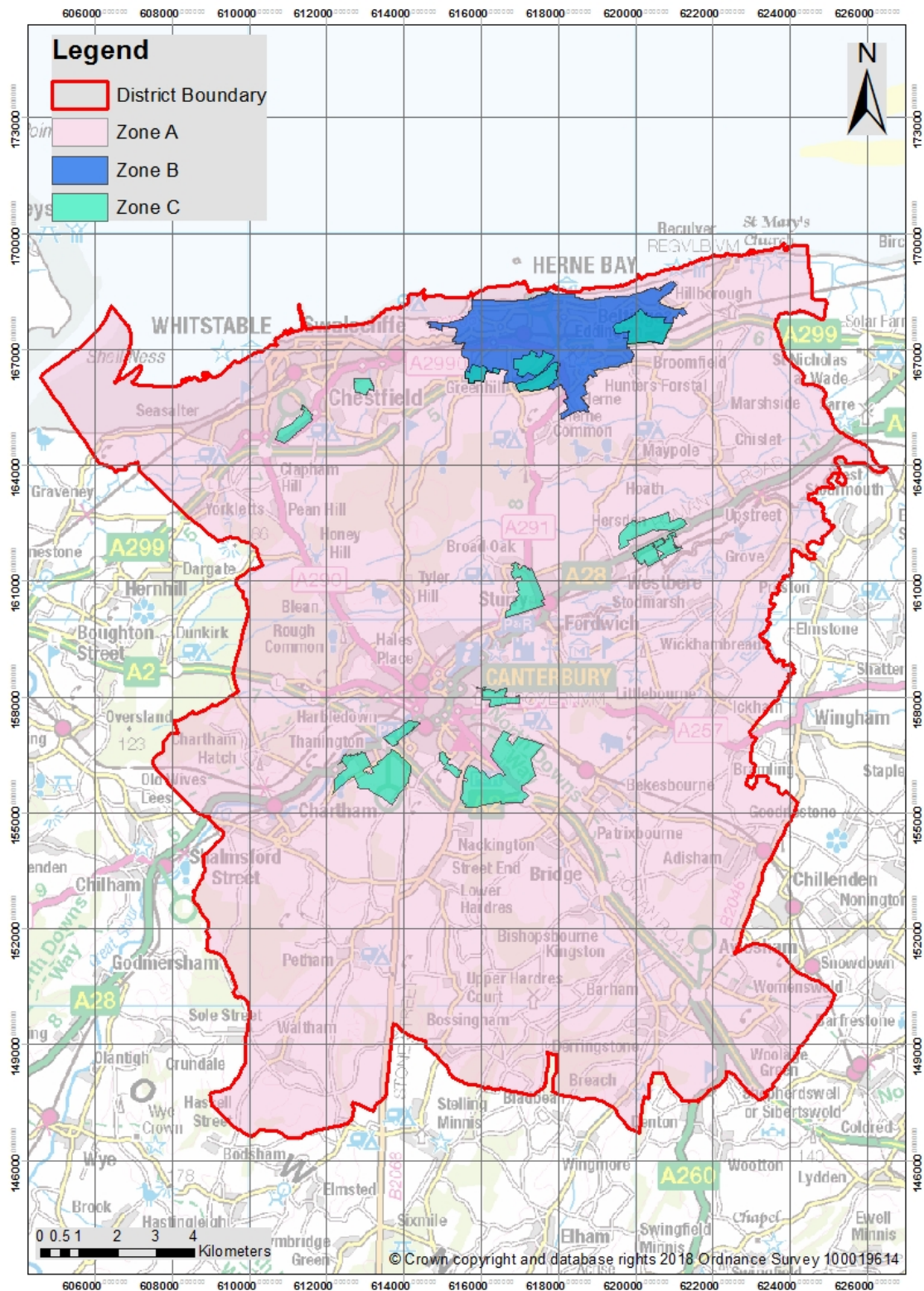
- 5.4 The CIL Regulations (2010) (as amended) provide that a meaningful proportion of CIL funds - known as the neighborhood portion - are allocated to the neighbourhood or local area where an individual development takes place for spend on local infrastructure priorities. This amounts to 15% of receipts and increases to 25% in areas with a Neighbourhood Development Plan in place.
- 5.5 Where development takes place in an area with a Parish Council, the neighbourhood portion will be allocated to the relevant Parish Council. Outside of these areas, in Canterbury, Whitstable and Herne Bay, the Council is required to engage with local communities to determine how to spend the neighbourhood portion.
- 5.6 The monies that make up the neighborhood portion of the levy can be spent on a wider range of things:
 - Infrastructure requirements, such as improvements, maintenance, provision or replacement; or
 - Anything that can address the demands the new development places on an area, such as affordable housing needs.

6 Monitoring and Review

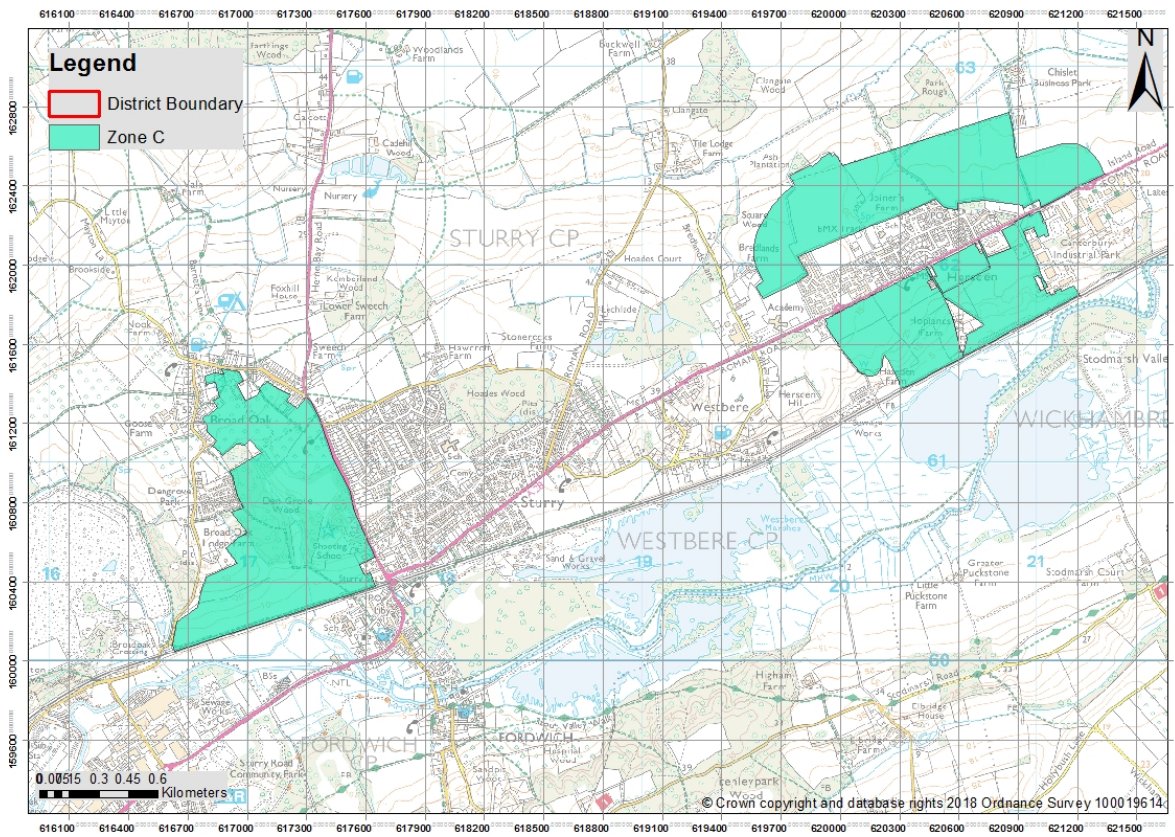
- 6.1** The Council is committed to transparency and will publish an annual report known as an Infrastructure Funding Statement. This will set out the Council's monitoring of CIL monies including the amount of CIL collected and how any monies spent have been used. CIL reporting can take place as part of the annually published Authority Monitoring Report or can be contained within a separate report.
- 6.2** Regulatory or economic circumstances could change, and if any of the following conditions are met then the CIL Charging Schedule should be reviewed:
- Changes to the CIL Regulations that would make it necessary or beneficial for the Council to review the Charging Schedule;
 - A review of the Local Plan that would make it necessary or beneficial for the Council to review the Charging Schedule; or
 - A period of five years have passed since the implementation of the Charging Schedule.
- 6.3** The Council may also consider whether a review of CIL is necessary if monitoring demonstrates that either development is being constrained by CIL charges or if evidence indicates that development viability has increased and that an increase of some or all of the CIL charges is justified, where this is necessary to support the delivery of infrastructure.

Appendix A: Charging Maps

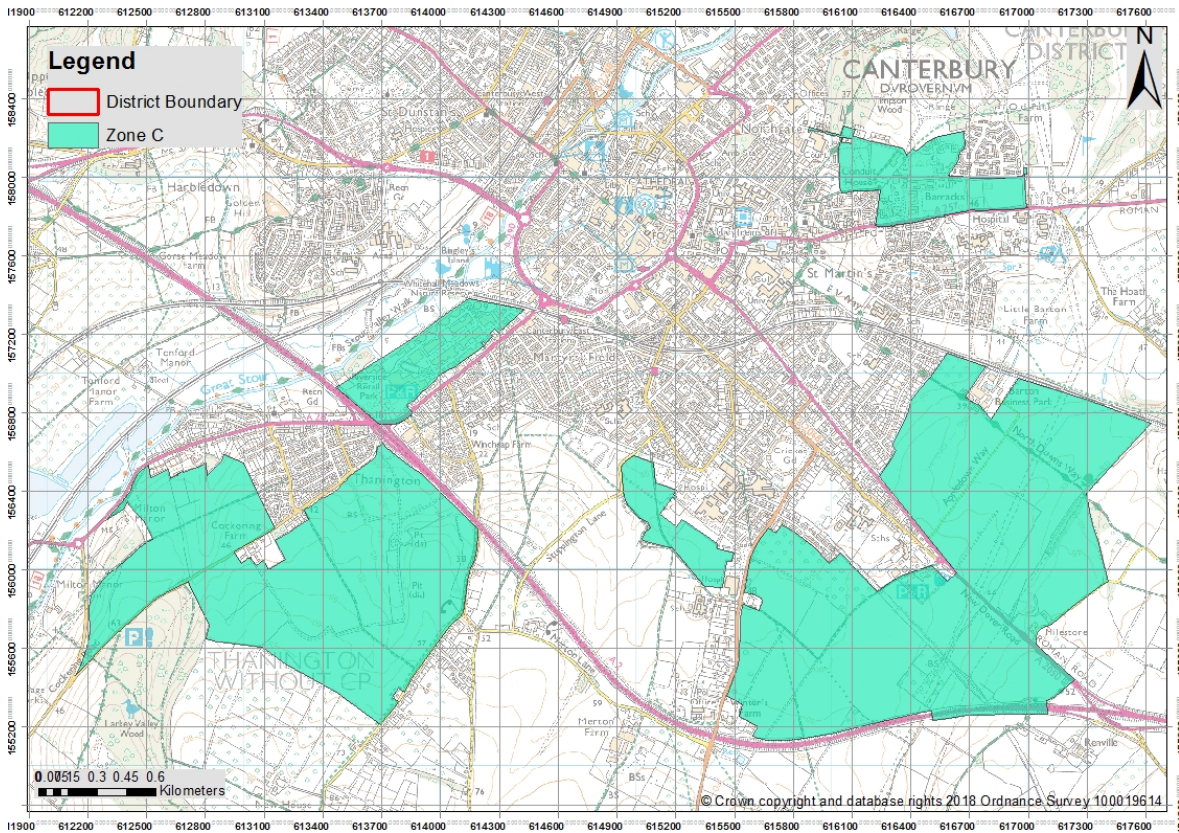
Map A.1 Zones A, B and C



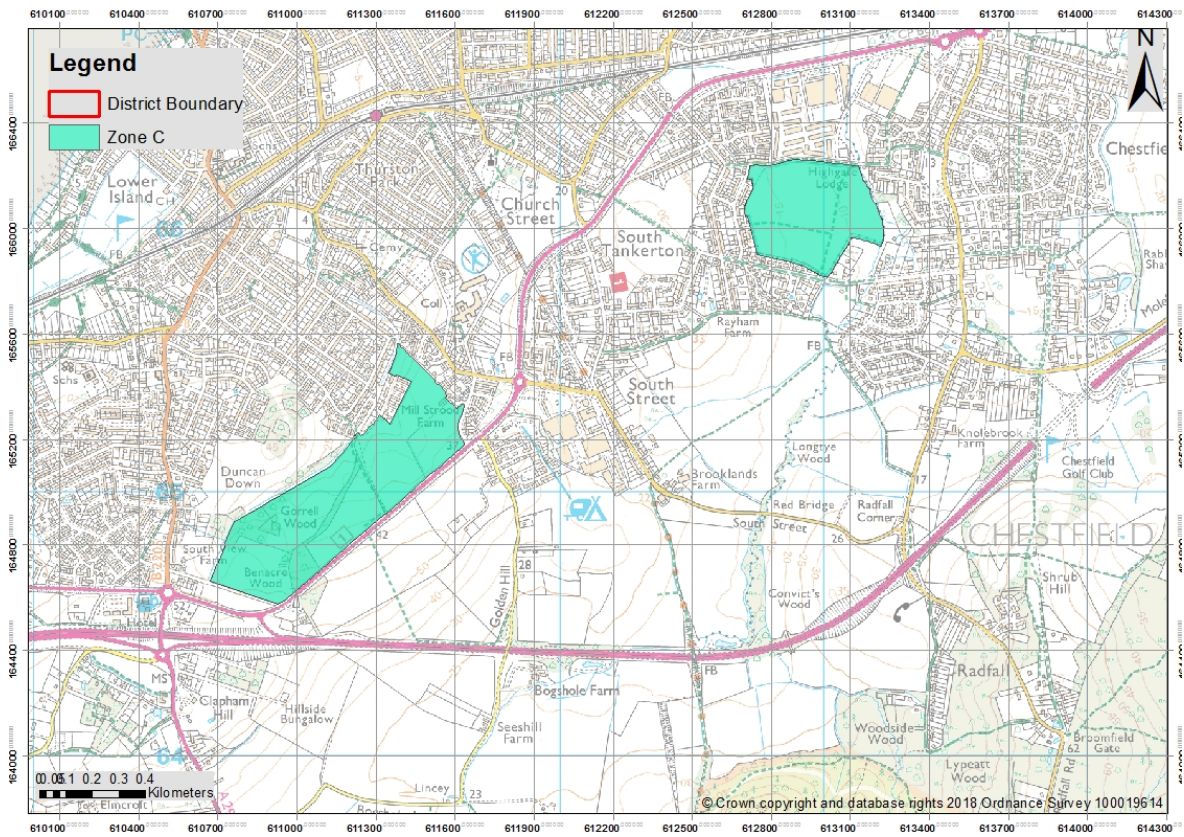
Map A.2 Charging Zone C: Sturry and Hersden



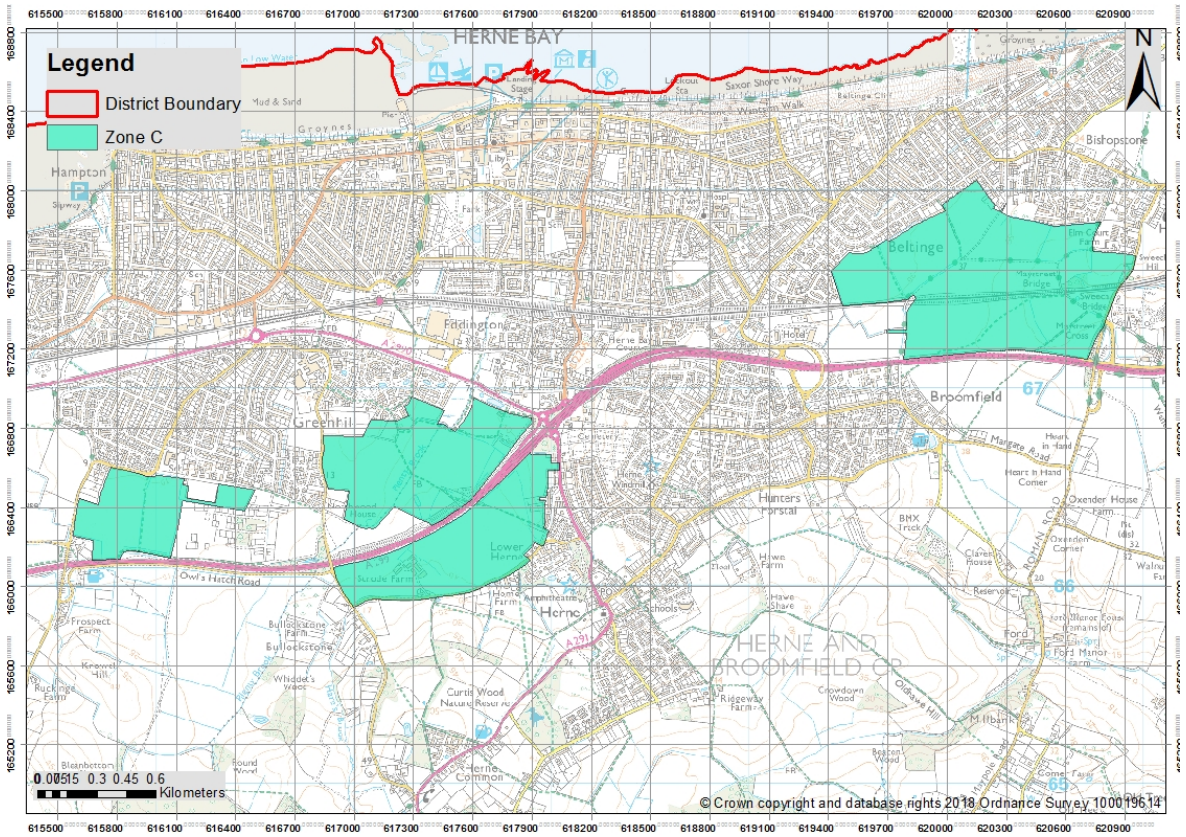
Map A.3 Charging Zone C: Canterbury



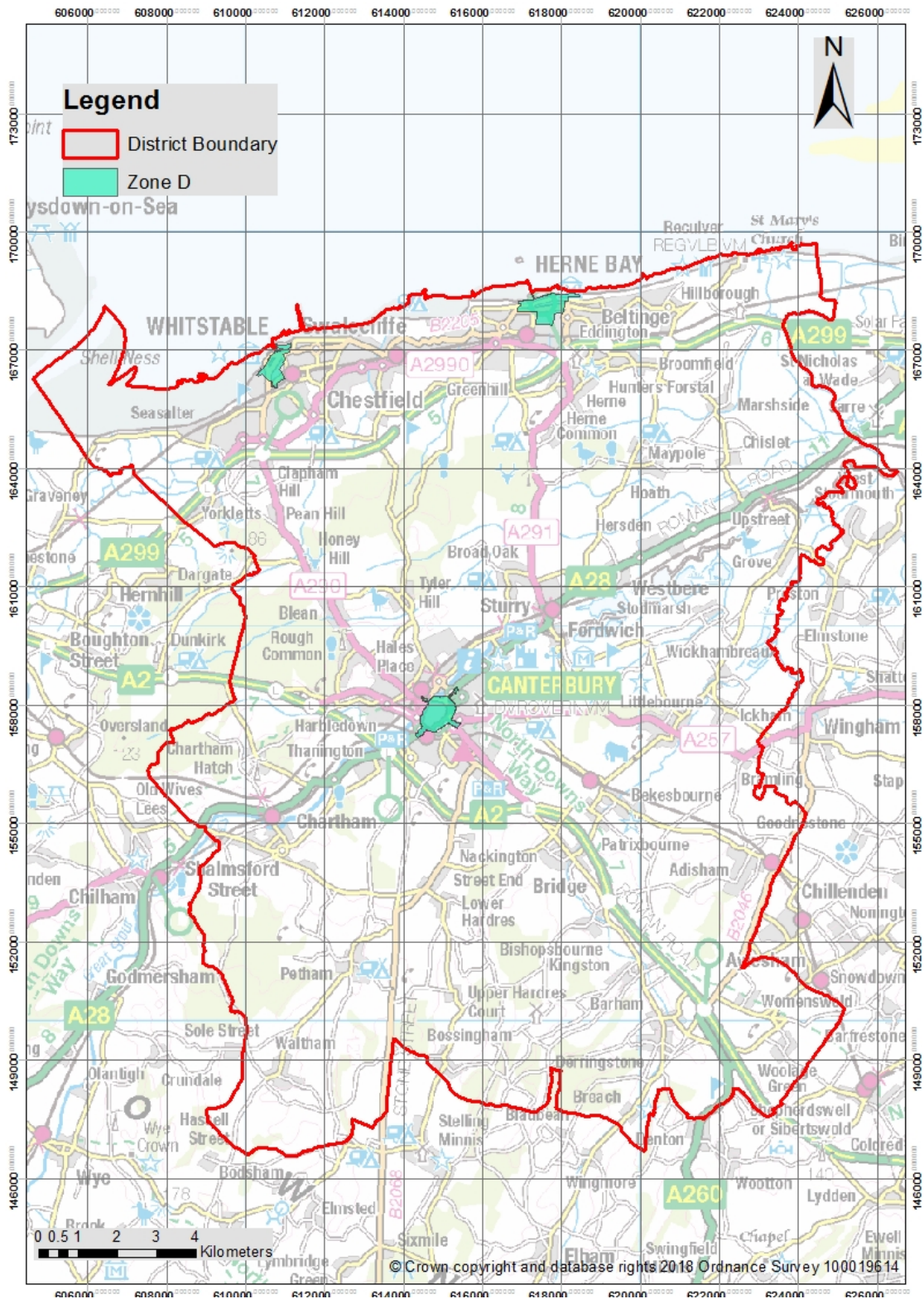
Map A.4 Charging Zone C: Whitstable



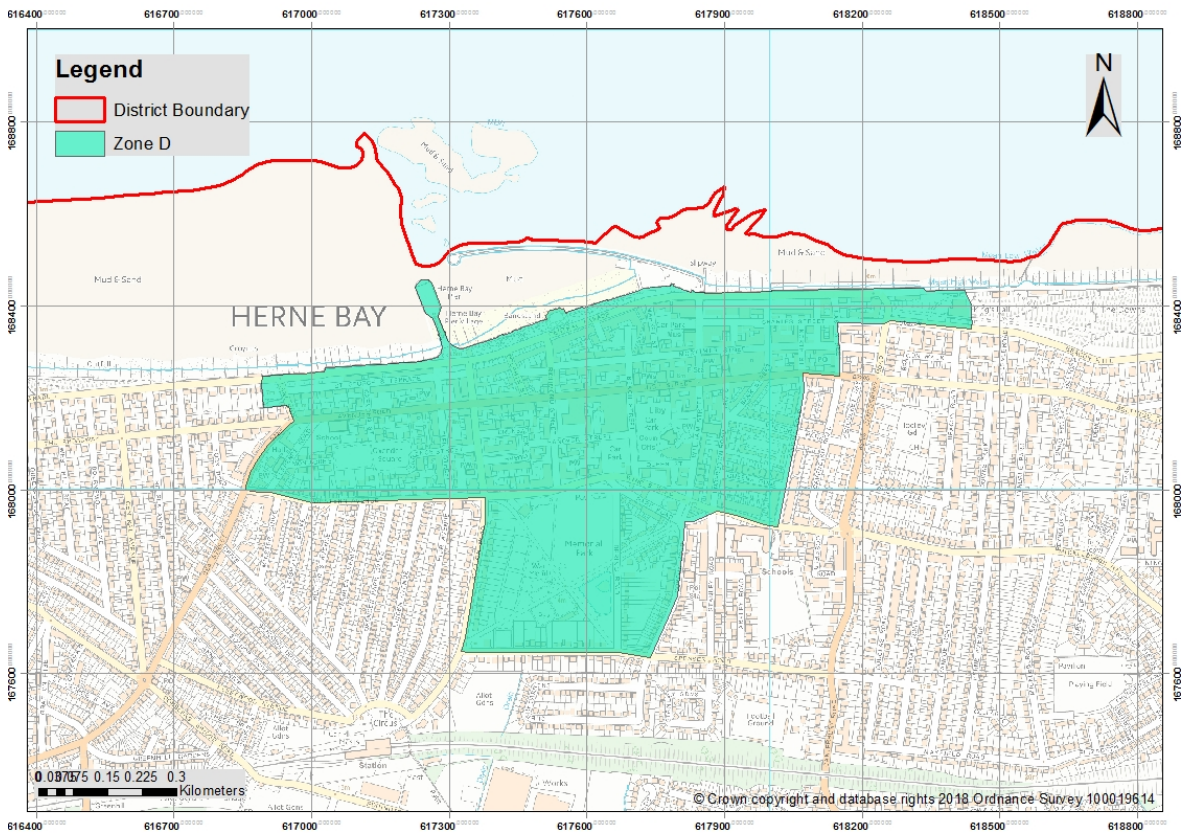
Map A.5 Charging Zone C: Herne Bay



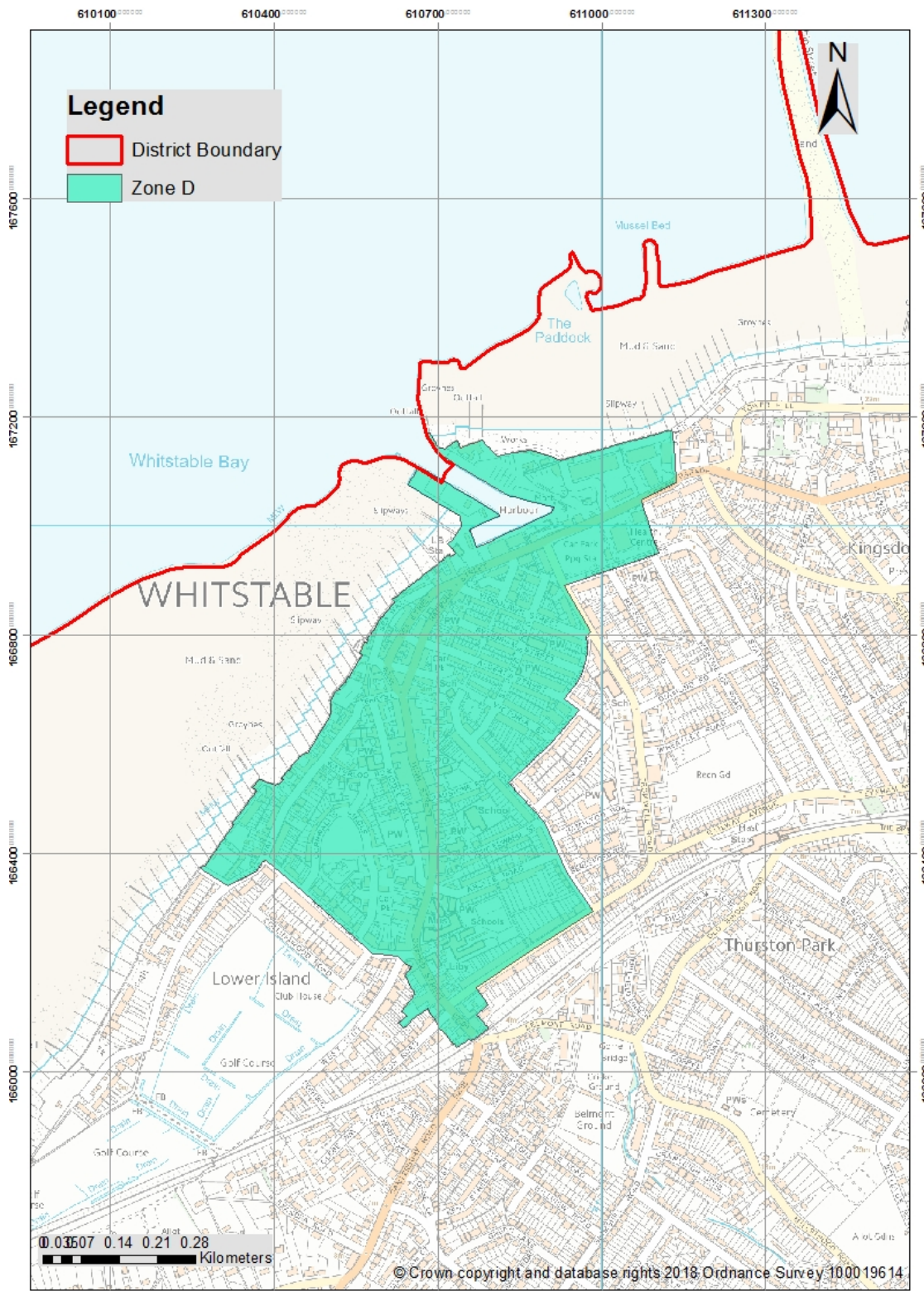
Map A.6 Charging Zone D



Map A.7 Charging Zone D: Herne Bay



Map A.8 Charging Zone D: Whitstable



Map A.9 Charging Zone D: Canterbury

