

# Strategic Planning, Sustainability & Transportation Committee

12 July 2016

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

## Community Infrastructure Levy: Draft Charging Schedule

<b>Final Decision-Maker</b>	Strategic Planning, Sustainability & Transportation Committee
<b>Lead Director or Head of Service</b>	Rob Jarman: Head of Planning and Development
<b>Lead Officer and Report Author</b>	Andrew Thompson: Principal Planning Officer
<b>Classification</b>	Public
<b>Wards affected</b>	All

### This report makes the following recommendations to this Committee:

That the Strategic Planning, Sustainability and Transportation Committee is recommended to:

1. Approve the Draft Charging Schedule, Draft Regulation 123 List and Draft Instalments Policy for consultation under Regulation 16 of the Community Infrastructure Levy ("CIL") Regulations 2010 (as amended).
2. Instruct officers to commence work on the consideration of potential options for CIL governance and administrative arrangements.

### This report relates to the following corporate priorities:

Keeping Maidstone Borough an attractive place for all and Securing a successful economy for Maidstone Borough

- Securing provision of and improvements to infrastructure in our Borough

### Timetable

<b>Meeting</b>	<b>Date</b>
Strategic Planning, Sustainability & Transportation Committee	12 July 2016

# Community Infrastructure Levy: Draft Charging Schedule

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Consultation on the Preliminary Draft Charging Schedule was undertaken alongside the Regulation 18 consultation on the emerging Local Plan in Spring 2014. Responses to the consultation were considered by the Planning, Transport and Development Overview and Scrutiny Committee on 16 September 2014. In the intervening period the Local Plan has taken priority and has been subject to two further rounds of consultation and a series of evidence updates. The Council submitted the Local Plan to the Secretary of State for independent examination on 20 May 2016 and the submission draft Local Plan and its evidence base provides the basis on which to progress the Community Infrastructure Levy (CIL). Consultation on the Draft Charging Schedule (Appendix A) is therefore the next step in the process of introducing the CIL in Maidstone Borough.
- 1.2 The Draft Charging Schedule sets out how the CIL will be applied to development in Maidstone. The document identifies the proposed rates that would be charged for different types of development, and whether and how this varies between different locations within the borough. Charges are calculated in pounds (£) per square metre of net additional floorspace.
- 1.3 In setting CIL rates, Charging Authorities must strike an appropriate balance between the desirability of funding infrastructure and the viability of development. CIL rates should not be set near the margins of viability as this could threaten the deliverability of development in the Local Plan. The Revised Plan and CIL Viability Study July 2015, undertaken by Peter Brett Associates, is therefore a key piece of evidence as the work demonstrates that development in Maidstone will continue to be viable after the combined costs of affordable housing requirements, ongoing section 106 costs<sup>1</sup> and CIL charges are applied.
- 1.4 Analysis of potential CIL receipts confirms that the CIL will make a significant financial contribution towards the delivery of infrastructure within Maidstone. Projections at June 2016 indicate that the CIL could provide funding in the region of £30m although it should be noted that development sites will continue to come forward in advance of the Charging Schedule's adoption, meaning that some developments included in these projections will make contributions through section 106 planning obligations instead of through the CIL.
- 1.5 The evidence demonstrates that CIL charges can be introduced for certain types of development within the borough whilst maintaining the viability of development proposed in the Local Plan. The Committee is therefore recommended to approve the Draft Charging Schedule for consultation.

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<sup>1</sup> Section 106 of the Town and Country Planning Act 1990

- 1.6 The Committee is also recommended to approve the Draft Regulation 123 List (Appendix B) and Draft Instalments Policy (Appendix C) for consultation. These documents do not form part of the Draft Charging Schedule itself, and can be amended without instigating a full review of the Schedule, but provide important additional information on how the CIL will be implemented in Maidstone.
- 1.7 The CIL Regulations stipulate that a Charging Authority must consult on a Draft Charging Schedule for a minimum of four weeks however, as part of the consultation period will overlap with the school summer holidays, it is proposed to undertake consultation for a period of six weeks, The consultation will therefore commence on Friday 5 August and close on Friday 16 September.
- 1.8 Alongside development of the Charging Schedule it is important that consideration is given to how the CIL will be implemented once it is adopted. This will include developing governance arrangements to provide an effective framework for decision making on the allocation and spend of CIL receipts, in addition to the administrative and procedural measures required for the day-to-day management of the CIL. To ensure that appropriate arrangements can be established in a timely manner to support the implementation of the CIL, Councillors are recommended to instruct officers to commence work to assess the options available for CIL governance arrangements and to consider potential administrative arrangements for the CIL.

## **2. INTRODUCTION AND BACKGROUND**

### **Context**

- 2.1 The Maidstone Cabinet confirmed its commitment to develop a CIL for Maidstone Borough on 16 May 2012. Following consultation on the Preliminary Draft Charging Schedule in spring 2014, the publication of the Draft Charging Schedule for consultation will be the next stage in the process of introducing the CIL in Maidstone. Although the timescales for subsequent stages of CIL examination and adoption are dependent upon those of the Local Plan examination, the overall objective is to introduce the CIL Charging Schedule in a timely manner following adoption of the Local Plan.
- 2.2 Since the introduction of the CIL Regulations<sup>2</sup> in 2010, the use of section 106 agreements to secure infrastructure has become progressively more restrictive. The Regulations set into statute the tests for the use of planning obligations, and therefore proposed obligations are now subject to increased scrutiny by local planning authorities and developers, to ensure they comply with the strict tests. More recently, amendments to the CIL Regulations have restricted the use of additional planning obligations where there are already five or more in place for a particular infrastructure type or project. In certain circumstances this could mean that financial contributions from some sites are not collected, simply because the pooling limit has already been reached.
- 2.3 These restrictions have potentially the most significant impact for the more strategic infrastructure schemes, such as major transport or education projects. One of the key advantages of the CIL is that these restrictions do not apply, and

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<sup>2</sup> The Community Infrastructure Levy Regulations 2010 (as amended)

CIL receipts collected across the borough can be used towards strategic infrastructure projects, required to support the overall quantum of development proposed in the Local Plan. The Infrastructure Delivery Plan (IDP) (May 2016) identifies a number of strategic infrastructure schemes where the pooling of developer contributions will be critical to ensure that projects can be delivered.

- 2.4 It is important to note however that the CIL is not intended to replace mainstream funding for infrastructure, but rather to reduce the gap between the cost of providing infrastructure to support planned growth and the funding available to deliver infrastructure. Government guidance is clear that the CIL cannot be expected to pay for all the infrastructure required but is expected to make a significant contribution.

### **The Draft Charging Schedule**

- 2.5 The development of a CIL Charging Schedule is intrinsically linked to the emerging Local Plan in a number of ways. The setting of CIL rates must be informed by the viability evidence underpinning the Local Plan, and the council must demonstrate that the introduction of the CIL would not put delivery of the Local Plan at risk through viability issues. In setting the rates the council must have regard to the Local Plan's requirements for affordable housing, which represent a significant cost to development and will continue to be secured through section 106 agreements, together with any ongoing section 106 requirements (e.g. on-site open space) and a degree of buffer to account for changes in site specific circumstances.
- 2.6 The Revised Plan and CIL Viability Study, undertaken by Peter Brett Associates, was published in July 2015. The study assessed a range of different named and hypothetical developments to determine the level of "headroom" available to meet policy requirements, including CIL and affordable housing. This Committee considered the findings of the Viability Study and the setting of affordable housing requirements in July and August last year, and these requirements are set out in Policy DM13 of the submission draft Local Plan 2016. With the affordable housing rates now established in the submission draft version of the Local Plan, it is possible to determine the corresponding rates for CIL charges, based on the technical recommendations of the Viability Study.
- 2.7 The Viability Study confirms that there is sufficient "headroom" in viability terms to charge the CIL for residential development, retirement and extra care housing and for retail development (excluding comparison retail within the town centre). All other types of CIL liable floorspace, including business and commercial development, are shown not to be viable with a CIL charge. Further explanation of the proposed CIL charges is set out in paragraphs 2.23 – 2.25 however a summary of the charges and corresponding affordable housing requirements is set out in Table 1

Table 1: Affordable Housing requirements (DM13) and proposed CIL Charges

Development	Affordable housing (%)	CIL Charge (£ per m2)
Residential (Urban)	30	93
Residential (Rural)	40	99
H1 (11) Springfield, Royal Engineers, Road, Maidstone	20	77
Retirement and extra care housing	20	45
Retail - wholly or mainly convenience	n/a	150
Retail - wholly or mainly comparison outside of the town centre	n/a	75
All other forms of CIL liable floorspace	n/a	0

2.8 As required by CIL Regulations, it is considered that these rates strike an appropriate balance between the desirability of funding infrastructure from the CIL and the potential impact on the economic viability of development. The Viability Study demonstrates that development will continue to be viable, taking account of the significant affordable housing requirements, the rates allow for an appropriate buffer for additional section 106 costs and for changes in site specific circumstances, whilst ensuring that the CIL will make a significant contribution towards the delivery of infrastructure.

### The Regulation 123 List

2.9 On adoption of the CIL Charging Schedule, the council will be expected to significantly scale back the use of section 106 planning obligations, which will generally be limited to site specific requirements necessary to serve an individual development e.g. on-site open space provision. The CIL will therefore become the primary mechanism by which developers make contributions towards strategic infrastructure projects, such as major transport or education schemes which can serve a number of developments. Policy ID1 in the submission draft Local Plan establishes this broad approach, and provides the basis for the infrastructure policies in Policy H1 which set out how developers will be expected to pay for different types of infrastructure, and through which route.

2.10 Crucially, it will not be possible to seek additional contributions through section 106 planning obligations for infrastructure types or projects which are identified in the Regulation 123 List as eligible for funding through the CIL. The purpose of producing the Regulation 123 List is therefore to demonstrate that developers will not, in effect, be charged twice for the same piece of infrastructure.

2.11 There is no prescribed approach for producing a Regulation 123 List. The List can be very generic with open infrastructure “types” (e.g. education) so that all schemes within that category would be eligible for CIL funding but no further section 106 obligations could be sought for this type of infrastructure. At the other end of the spectrum, the List could be very specific, identifying a list of specific infrastructure “projects” so that only these schemes would be eligible for CIL funding.

- 2.12 Policy ID1 however clearly establishes that strategic infrastructure will be funded through the CIL and not through section 106 planning obligations, and therefore it is appropriate to take a more generic approach to the Regulation 123 List. To ensure that section 106 planning obligations, or agreements under section 278 of the Highways Act, can continue to be used for site specific infrastructure requirements, the draft Regulation 123 List also identifies exclusions to the use of CIL. It is considered that this approach, together with the accompanying policies in the Local Plan, establishes clearly that developers will not be charged twice for the same piece of infrastructure whilst ensuring that the council will not be unduly restricted in seeking to secure legitimate site specific mitigation through section 106 planning obligations.
- 2.13 The Regulation 123 List can be kept under review and updated by the council, subject to consultation, without necessarily instigating a full review of the Charging Schedule. Accordingly, the draft Regulation 123 List is published alongside the Charging Schedule rather than within the Schedule itself.

### **The Funding Gap**

- 2.14 The CIL is not intended to replace mainstream funding for services. It is intended to reduce the gap between the cost of providing, operating and maintaining the infrastructure required to support planned development, and the amount of money available from other sources.
- 2.15 One of the key pieces of supporting evidence required to justify the introduction of the CIL is the identification of an “aggregate funding gap”. This calculation must demonstrate that the infrastructure requirements proposed to be funded through the CIL cannot be fully funded by known sources of funding, including existing section 106 planning obligations and potential CIL receipts. The information on which the calculation is based must be taken from the infrastructure evidence base produced to support the Local Plan, including the IDP.
- 2.16 Although, on the face of it, this test appears somewhat at odds with demonstrating deliverability of infrastructure requirements, government guidance recognises that CIL cannot be expected to fund all infrastructure requirements and that it can be difficult to pinpoint other infrastructure funding sources beyond the short term. The key test is to show that there is a sufficient funding gap to justify the introduction of the CIL.
- 2.17 Any funding gap calculation will provide only a snapshot in time, based on the infrastructure evidence base available, the cost estimates associated with identified schemes, and an analysis of funding available to contribute towards delivery. The Infrastructure Delivery Plan (IDP) (May 2016) identifies a series of critical and essential infrastructure schemes required to support delivery of the Local Plan to 2031 and considered to be eligible for CIL funding. These schemes have been used to derive an estimated cost of infrastructure which could be funded wholly or partly through the CIL.
- 2.18 It should be noted that site specific mitigation schemes, for which funding from the CIL will not be sought, are not included in the CIL funding gap analysis. The overall cost of providing infrastructure to support the Local Plan is therefore somewhat higher than that shown in Table 2 below however these additional

infrastructure costs will be met through section 106 planning obligations, agreements under section 278 of the Highways Act or through planning conditions. Similarly, schemes which are already fully funded through other sources, such as the Bridges Gyratory improvements, are excluded from the analysis.

2.19 To determine the funding potentially available towards the delivery of these schemes requires an assessment of funding already secured through section 106 planning obligations, a projection of potential CIL receipts and an understanding of funding potentially available from other sources. This analysis has been undertaken at June 2016 (Appendix D). Given the number of moving parts involved in this analysis, the figures will require updating at key stages of the CIL process however a summary of the June 2016 analysis is provided below.

Table 2: Aggregate funding gap analysis

Infrastructure which may be funded wholly or partly through the CIL	Critical (£)	Essential (£)	Total (£)
Highways and Transportation	14,297,350	19,664,691	33,962,041
Education Provision	18,000,000	15,694,000	33,694,000
Health Provision		5,483,000	5,483,000
Social and Community Infrastructure		1,712,725	1,712,725
Public Services		108,500	108,500
<b>TOTALS</b>	<b>32,297,350</b>	<b>42,662,916</b>	<b>74,960,266</b>
Potential funding from s106 planning obligations (£) <sup>(1) (2)</sup>			32,997,968
Projected CIL income (£) <sup>(3)</sup>			29,729,265
Potential funding from other sources			3,000,000
<b>AGGREGATE FUNDING GAP (£)</b>			<b>9,233,033</b>

(1) Contributions agreed (subject to conditions precedent and payment triggers) and contributions resolved by Planning Committee subject to the completion of a s106 legal agreement correct as of 15 June 2016;

(2) Where the precise level of contributions is yet to be determined, for instance where development yield and/or dwelling mix are not confirmed through an outline planning permission, maximum figures have been applied. Once these details are established corresponding figures may be revised downwards.

(3) This figure includes potential income from relevant Local Plan development which has not received planning consent or a resolution from Planning Committee to grant planning consent subject to completion of a s106 legal agreement at 15 June 2016.

2.20 As mentioned above, these figures are subject to near constant change; the determination of further planning applications prior to the introduction of the CIL will result in additional funding being available through section 106 planning obligations, but will reduce the projected CIL income. Further infrastructure evidence, including cost refinements for infrastructure items included in the IDP, could result in upward or downward revisions.

2.21 The impact of the “neighbourhood portion” of CIL receipts should not be underestimated either. In areas with adopted neighbourhood plans, the proportion of CIL receipts passed to Parish Councils, or spent on behalf of communities where there is no Parish Council, increases from the default 15% to 25%. These monies can be spent on a much wider range of infrastructure improvements than the monies retained by the Charging Authority, and Parish Councils or communities can choose themselves how to use the neighbourhood portion. These monies can therefore not be relied upon to deliver funding towards schemes identified for potential CIL funding and the projected CIL income available to deliver these may reduce over time as further neighbourhood plans are adopted. The analysis does however demonstrate an

aggregate funding gap and therefore provides justification for the introduction of the CIL in Maidstone Borough.

2.22 Whilst the scale of the projected funding gap is significant, this must be seen in the wider context that the CIL is not intended to replace mainstream funding for services, and is not expected to pay for all infrastructure requirements. As further context, it is also helpful to consider the funding gaps identified by other Kent authorities who have developed a CIL Charging Schedule: Sevenoaks District Council adopted the CIL in 2014 with an identified gap of £18m, whilst Shepway District Council identified a funding gap of between £18.6m - £64m as part of their recent CIL examination. In the nearby East Sussex authorities of Rother and Wealden District Councils, funding gaps of £133m and £73m respectively were identified through the examination of their Charging Schedules whilst Ashford Borough Council has recently projected a CIL funding gap in the region of £60m as part of its consultation on a Preliminary Draft Charging Schedule. The current projection for Maidstone is clearly much less substantial than these figures, and indicates that the CIL would indeed make a significant contribution towards meeting the infrastructure needs of planned growth in the borough.

### **Changes from Preliminary Draft Charging Schedule**

2.23 The main changes to the Charging Schedule have arisen as a result of the updated Viability Study with the revised residential charges now somewhat higher for the urban area and somewhat lower for the rural areas. These revised rates reflect the increase in sales values between 2013 (when the previous viability study was undertaken) and 2015, and also modifications to the methodology used by the viability consultants, based on experience at Independent Examination, peer reviews and improved market conditions. Fundamentally however, the borough-wide viability picture remains relatively similar, with development in the rural areas demonstrably more viable than in the urban areas. The difference in the rates recommended by the consultants between 2013 and 2015 is relatively modest, with the most significant change being the increase in the affordable housing requirements for sites within the urban area from 20-25% to 30% as set out in Policy DM13.

2.24 Site specific assessments were undertaken for two large urban brownfield sites, one of which is no longer available for development, and the study identifies that site H1 (11) Springfield, Royal Engineers Road, Maidstone is significantly less viable than the urban area more generally. The CIL rate and affordable housing requirements have been reduced accordingly. The updated Viability Study also shows an improvement in the viability of retirement and extra care housing and this is reflected in both Policy DM13 and the proposed CIL rate for this type of development.

2.25 In respect of non-residential development the picture is largely unchanged between the consultants' recommendations from 2013 and 2015. Although the charges for convenience retail are somewhat lower, they are now shown to be viable both within and outside of the town centre. A separate rate for comparison retail is proposed exclusively outside of the town centre however. Recent CIL examinations demonstrate that a distinction in terms of convenience and comparison retail can be justified where this is supported by robust evidence, and so the Charging Schedule no longer refers to the size of retail



developments and differentiates instead by convenience/comparison. Retail apart, all other tested development typologies demonstrably cannot sustain a CIL charge, as was the case in 2013. This results in a £0 per sqm charge for all other types of CIL liable floorspace, including office and business development.

- 2.26 These changes directly address a number of the comments made in response to the consultation on the Preliminary Draft Charging Schedule. As part of the consultation however, a number of comments were received suggesting further changes to the Charging Schedule, including the addition of an instalments policy to stagger CIL payments, the introduction of exceptional circumstances relief and the additional of a mechanism for “in-kind” CIL payments e.g. through land for the provision of infrastructure. Whilst it is not considered necessary to introduce relief for exceptional circumstances, as the Regulations already allow for relief for a variety of development types, the Draft Charging Schedule does now include a mechanism for CIL “in-kind” payments. A Draft Instalments Policy (Appendix C) is also proposed.
- 2.27 The CIL Regulations require full payment of the chargeable amount within 60 days following commencement of development. This represents a significant change to how developer contributions are currently paid under section 106 planning obligations, where payments often do not become due until a proportion of the development is completed or occupied, and are often staggered over two or three payments. In cases where there is an outline planning permission with longer term phasing plans, the CIL Regulations set out that each separate phase of development is treated as a separate “chargeable development” and therefore payments can be staggered to correspond with the phased tranches of development. Although this provision may help to spread the cost of CIL payments to an extent, the Regulations were amended in 2011 to enable Charging Authorities to apply locally set instalments policies in order to allow for the timing of payments to depart from the default approach.
- 2.28 Comments received from the development industry in response to the Preliminary Draft Charging Schedule consultation contend that the lack of an instalments policy could present deliverability issues, particularly for larger schemes. Similar concerns have been raised across the country and it is becoming increasingly common for Charging Authorities to introduce an instalments policy alongside their Charging Schedules, in order to respond to these issues. It is recommended that a policy allowing for staged payments should be introduced in order to stagger payments over a number of months following commencement of development, and to provide for a greater number of instalments proportionate to the overall CIL liability. A summary of the Draft Instalments Policy is set out in Table 3.
- 2.29 Similarly to the Draft Regulation 123 List, the Draft Instalments Policy does not form part of the Draft Charging Schedule itself and instead will be published alongside the Schedule. The Instalments Policy can therefore be kept under review and updated as necessary without generating the need for a full review of the CIL Charging Schedule.

Table 3: Draft Instalments Policy

Total Amount of CIL Liability	Number of Instalments	Payment Periods and Proportion of CIL Due			
Amounts up to £250,000	1	100% payable within 60 days of commencement of development.			
Amounts over £250,000 and up to £500,000	2	50% payable within 60 days of commencement of development	50% payable within 12 months of commencement of development		
Amounts over £500,000 and up to £1,000,000	3	30% payable within 60 days of commencement of development	30% payable within 12 months of commencement of development	40% payable within 24 months of commencement of development	
Amounts over £1,000,000	4	20% payable within 60 days of commencement of development	20% payable within 12 months of commencement of development	30% payable within 24 months of commencement of development	30% payable within 36 months of commencement of development

2.30 The CIL Regulations also provide for payment to be made “in kind” through the transfer of land for the provision of necessary infrastructure, with the value of this deducted from the overall CIL liability. Although such “in kind” payments may be rare, there may be circumstances where the provision of land in lieu of payment may provide opportunities for the delivery of strategic infrastructure. Acceptance of any “in kind” payments would be entirely at the Council’s discretion. The Draft Charging Schedule sets out the specific circumstances in which payment “in kind” may be considered.

2.31 In terms of exceptional circumstances relief some respondents to the Preliminary Draft Charging Schedule commented that relief should be considered where the amount of CIL liability could affect the viability of development. It is considered however that the proposed rates are based on up-to-date viability evidence and allow for a significant buffer to account for changes in site specific circumstances. Exceptional circumstances relief would be extremely rare: applicable only where a section 106 agreement is also in place, and where the value of this exceeds the cost of the CIL charge. Additionally, any exceptional relief must not constitute a notifiable state aid and the Charging Authority must first give notice publically of its intention to have an exceptional circumstances policy. Given the very limited scope in the

application of the relief, the dilution of the key benefits of the CIL and the practical and resource implications, it is not proposed to introduce such a policy.

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## **CIL Governance and Administrative Arrangements**

- 2.32 The CIL Regulations are not prescriptive in respect of precisely how Charging Authorities make decisions on the spending or allocation of CIL receipts. Charging Authorities have some scope therefore to implement a decision making framework tailored to their individual requirements and a variety of approaches have been adopted across the country.
- 2.33 A specific workstream is therefore required to assess the available options for CIL governance arrangements and to determine the appropriate decision making framework for Maidstone Borough Council in its future role as Charging Authority. Key elements of this framework are likely to include both the processes by which recommendations are developed and the final decision making process itself. The role of infrastructure providers, council officers and elected councillors within this framework will need to be considered, together with the need for any additional detailed infrastructure information required to support and inform decision making.
- 2.34 To ensure that the required governance arrangements can be put in place in a timely manner to support the implementation of the CIL, the Committee is recommended to instruct officers to commence work to assess the options available for CIL governance arrangements. It is anticipated that this assessment will inform a report which can be considered by this Committee in the autumn, however the availability of officer resources to progress this work is clearly subject to the timing and progress of the Local Plan examination.
- 2.35 Alongside the development of governance arrangements, consideration must also be given to the appropriate administrative framework for the day-to-day management of the CIL. Key elements of this will include the details regarding how the Council collects, monitors and reports CIL receipts and how and when payments are made to local councils (the neighbourhood portion). At the meeting of Planning, Transport and Development Overview and Scrutiny Committee on 16 September 2014, the Committee made the following recommendation:
- “The Head of Planning and Development be recommended to ensure representatives from parish councils and Area Committee Officers are involved in the design of the process for administering the distribution of the Community Infrastructure Levy (CIL), before consulting fully with all parish councils, before the Local Plan is adopted, so parish councils are assured Maidstone Borough Council fulfils its’ duty to pass the appropriate level of CIL receipts to local councils.*
- 2.36 In accordance with the Overview and Scrutiny recommendation, officers will engage with Parish Council representatives and Area Committee Officers to progress this element of the work with a view to consulting all Parish Councils on the process for administering and distributing CIL receipts. It is anticipated that progress on the development of options for CIL administrative arrangements will also be reported to this Committee in the autumn, subject to the Local Plan examination timetable.

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### **3. AVAILABLE OPTIONS**

**Option A:** Approve the CIL Draft Charging Schedule for consultation under Regulation 16 of the Community Infrastructure Levy Regulations 2010 (as amended). This option should be selected if the Draft Charging Schedule is considered to be fit for purpose.

**Option B:** Reject the CIL Draft Charging Schedule for consultation under Regulation 16 of the Community Infrastructure Levy Regulations 2010 (as amended). This option should be selected if the Draft Charging Schedule is not considered to be fit for purpose.

**Option C:** Instruct officers to commence work on the consideration of potential options for CIL governance and administrative arrangements.

**Option D:** Delay work on the consideration of options for CIL governance and administrative arrangements.

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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

4.1 Option A is recommended. The CIL Draft Charging Schedule is informed by an extensive and up-to-date evidence base and has taken account of responses to the Preliminary Draft Charging Schedule. The introduction of the Charging Schedule will make a significant contribution towards the delivery of strategic infrastructure required to support the delivery of planned growth whilst ensuring an appropriate balance is struck between the desirability of infrastructure delivery and development viability.

4.2 Option C is also recommended. It is important that appropriate governance and administrative arrangements are put in place in a timely manner to support implementation of the CIL.

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### **5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

5.1 The results of consultation on the Preliminary Draft Charging Schedule were considered by the Planning, Transport and Development Overview and Scrutiny Committee on 16 September 2014 and have been re-examined in light of updated viability evidence and Local Plan progress. During that September 2014 meeting the Committee resolved to fully involve the Parish Councils in the design of the process for administering the distribution of the CIL, and work to progress this is proposed as part of the recommendations.

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## 6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The Draft Charging Schedule and supporting documentation will be published for consultation on Friday 5 August 2016 for a period of six weeks. Responses received will be analysed and reported to this Committee in October 2016 to seek a recommendation to Full Council to approve the Draft Charging Schedule, and any proposed changes arising as a result of the consultation process, for submission for independent examination. The timing of examination and adoption of the CIL is likely to be dependent on progress of the Local Plan examination.
- 6.2 Officers will commence work on options for CIL governance and administrative arrangements, with the intention of reporting back to this Committee in the autumn.

## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The CIL Charging Schedule will support the delivery of the Local Plan and will assist in the delivery of the Council's corporate priorities.	Head of Planning and Development
<b>Risk Management</b>	The CIL will help to overcome some of the existing challenges in securing the delivery of necessary strategic infrastructure. Any delay in the introduction of CIL could exacerbate these issues.	Head of Planning and Development
<b>Financial</b>	The CIL will provide a significant source of funding towards delivery of the infrastructure needed to support development in the borough. Up to 5% of annual CIL receipts can be retained by the Council for use towards the cost of CIL administration.	Head of Finance & Resources
<b>Staffing</b>	Management, monitoring and administration of the CIL may require a dedicated resource to ensure its effective implementation. Separately, more detailed infrastructure planning work is likely to be required to inform decision making on the allocation of CIL monies.	Head of Planning and Development
<b>Legal</b>	The Draft Charging Schedule and accompanying evidence base is required to facilitate its progression through Examination in Public, to adoption.	Team Leader (Planning), Mid Kent Legal Services
<b>Equality Impact Needs Assessment</b>	The IDP identifies the infrastructure necessary to support development in a	Policy & Information

	sustainable manner, and therefore seeks to minimise the potential equality impacts of new development in the borough. The CIL will play a key role in delivering key strategic and community infrastructure which should benefit those equality groups most in need.	Manager
<b>Environmental/Sustainable Development</b>	The CIL will play a key role in delivering the infrastructure required to support planned development in order to minimise the environmental and social impacts of new development, whilst facilitating economic development and growth within the borough.	Head of Planning and Development
<b>Community Safety</b>	The CIL will play a key role in the delivery of infrastructure schemes required to mitigate the safety impacts of new development such as transport schemes and potentially policing infrastructure.	Head of Planning and Development
<b>Human Rights Act</b>	N/A	Head of Planning and Development
<b>Procurement</b>	Consultants are used to prepare specialist or technical evidence to support the CIL and the Local Plan and are appointed in accordance with the Council's procurement procedures.	Head of Planning and Development Section 151 Officer
<b>Asset Management</b>	N/A	Head of Planning and Development

## 8. REPORT APPENDICES

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

- Appendix A: Community Infrastructure Levy – Draft Charging Schedule (July 2016)
- Appendix B: Draft Regulation 123 List (July 2016)
- Appendix C: Draft Instalments Policy (July 2016)
- Appendix D: Funding Gap Analysis (June 2016)

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## 9. BACKGROUND PAPERS

- Background Paper A: Infrastructure Delivery Plan (May 2016)  
[http://www.maidstone.gov.uk/\\_data/assets/pdf\\_file/0016/121129/SUB-011-Infrastructure-Delivery-Plan-May-2016.pdf](http://www.maidstone.gov.uk/_data/assets/pdf_file/0016/121129/SUB-011-Infrastructure-Delivery-Plan-May-2016.pdf)
- Background Paper B: Revised Plan and CIL Viability Study (July 2015)

[http://www.maidstone.gov.uk/\\_data/assets/pdf\\_file/0011/94736/Revised-Plan-and-Community-Infrastructure-Levy-CIL-Viability-Study-2015.pdf](http://www.maidstone.gov.uk/_data/assets/pdf_file/0011/94736/Revised-Plan-and-Community-Infrastructure-Levy-CIL-Viability-Study-2015.pdf)