

Examination of the Maidstone Community Infrastructure Levy (CIL) Charging Schedule

Examiner's Main Issues and Questions

Examiner: David Spencer BA(Hons) DipTP
MRTPI

Hearing Date: 14 June 2017

Introduction

The Maidstone Community Infrastructure Levy Draft Charging Schedule [SUB001] and a Statement of Modifications [SUB011] were submitted for independent examination in April 2017. The Examiner's Guidance Notes, which set out how the examination will be conducted, were published on 8 May 2017 [CILEX002]

Having regard to the evidence submitted by the Council and the representations made in response to the draft charging schedule, the CIL examination will focus on the following main issues and questions. The Council is requested to provide a written statement that responds to all of the questions. Any other representor may also submit a written response to the questions that relate to the content of their representations. However, there is no obligation on representors to submit further written responses; the Examiner will take account of the written representations already made. Any written statements should be submitted to the Programme Officer by 12noon on Friday 2 June 2017 and be in accordance with the advice set out in the Guidance Notes.

Main Issue 1 – Compliance with the Act and Regulations

Legal and Procedural

- Q1. Have the procedural requirements of the Planning Act 2008 (as amended) and the Community Infrastructure Levy Regulations 2010 (as amended) been complied with during the preparation of the draft charging schedule?

General Approach

- Q2. Is it appropriate to prepare a draft charging schedule in the context of the emerging Local Plan for the Borough?
- Q3. Do the Inspector's Interim Findings [SUB004] and the proposed main modifications [SUB005] provide sufficient certainty on the Local Plan's strategy for growth, related infrastructure requirements and costs and overall policy requirements?
- Q4. Is the draft charging schedule supported by appropriate available evidence about economic viability and infrastructure planning?
- Q5. Is the methodology used in the Revised Local Plan and CIL Viability Study – July 2015 [SUB007] appropriate? Is it suitably grounded in the 'real world' conditions in Maidstone?
- Q6. Is Section 4 of the Viability Study up-to-date in terms of the Local Plan policies and potential for impact on viability?
- Q7. Are the different charging zones clearly set out and defined on an Ordnance Survey map in accordance with CIL Regulation 12(2)(a)(i)-(iv)?

Main Issue 2 – Infrastructure Evidence (the funding gap)

- Q8. Does the Infrastructure Delivery Plan – May 2016 [SUB006] accurately estimate the infrastructure likely to be required to support the development of the Borough as proposed in the emerging Local Plan?
- Q.9 Have infrastructure needs/costs markedly changed in light of (a) the ongoing Local Plan examination process [noting the Local Plan Inspector's interim finding [SUB004] to retain the SE Maidstone proposals] and (b) any updated evidence (Local Transport Plan; strategic review of waste management infrastructure)?
- Q.10 Are there specific infrastructure costs associated with managing the Area of Outstanding Natural Beauty in the context of potential pressures arising from growth? Are such costs identified with the 'Green and Blue' infrastructure in the IDP [SUB006 – item references GB25/GB26?] attributed to CIL funding?
- Q.11 What is "strategic open space"? Would this encompass green infrastructure identified in the Kent & Medway Growth & Infrastructure Framework? Is the figure of a £46.83million funding gap for green infrastructure in the Maidstone area recognised?

- Q.12 Are the costs of transport infrastructure, particularly in Maidstone reasonably established? Does the Integrated Transport Strategy for Maidstone provide the appropriate foundation for identifying transport infrastructure necessary to support growth?
- Q.13 What are the actual and expected sources of infrastructure funding that have been identified?
- Q.14 Overall, what is the resultant funding gap?
- Q.15 Does the submitted evidence clearly explain how planning obligations would operate alongside a new CIL regime in Maidstone? [Is it clear to developers and local communities what infrastructure would be funded through the CIL charging schedule and what would be secured through other planning obligations, so as to avoid any duplication?]
- Q.16 Paragraph 6.3.4 of the Viability Study [SUB007] states that it is the Council's intention to undertake further work on the potential level of S106/S278 that will be sought from development. Has that work been done? If so, has it (a) informed any re-consideration of the buffer applied; and (b) informed the extent to which planning obligations would be scaled back when CIL is implemented?
- Q.17 What is the projected income from CIL?
- Q.18 On average what level of contributions have been secured towards new infrastructure from Section 106 Agreements associated with new residential development? How does this relate to the expected future CIL receipts?

Main Issue 3 – Rates for Residential Development

- Q.19 Other than Site H1(11) Springfield, are there any other strategic sites as part of the Local Plan where particular costs may affect viability for CIL?
- Q.20 Are the boundaries of residential charging zones justified by the viability evidence?
- Q.21 Is the £6 per sqm difference between the "within urban boundary" and "outside urban boundary" rates justified by the viability evidence? Is the additional complexity of separate charging zones justified by important additional revenues for contributing to the delivery of infrastructure and growth?
- Q.22 Is there sufficient variability in sales values and viability which would support different (higher) CIL rates for residential development in the rural parts of the Borough?
- Q.23 Does the Viability Study [SUB007] make appropriate assumptions about the costs of residential development including:

- Construction costs – are these higher than BCIS benchmark?
 - External works – is 10% realistic; should it be a higher 20% figure?
- Q.24 Is the charging schedule clear that it applies to all forms of residential development? Are flats/apartments viable and are the assumptions on gross internal area, including circulation space, to calculate build costs and net internal area to calculate sales revenue reasonable?
- Q.25 Have sales values markedly changed since 2013? Have changes in Stamp Duty and wider economic conditions resulted in any tangible downward movement on sales values?
- Q.26 Are the house price values in the viability study 'asking prices' or actual achieved sales values?
- Q.27 Does the viability evidence make appropriate assumptions about the price a willing landowner would be likely to sell their land for in different parts of the Borough? Have values markedly changed since 2014?
- Q.28 Approximately what percentages of (a) residential development costs and (b) residential development values would the proposed charge rates be likely to represent for the two residential charging zones set out in the draft charging schedule?
- Q.29 What are the viability buffers associated with the CIL residential rates? Are the buffers sufficient to allow viable residential development in the charging zones?

Residential Charging Rates: Specific Modifications

- Q.30 If you consider the proposed residential charging rates would put at risk the overall development of the Borough, what specific modification are you seeking and what appropriate evidence is there to support it?

Main Issue 4 – Rate for Retirement Homes and Extra Care Housing

- Q.31 Has the viability work considered appropriate typologies for Care Home, Extra Care and Retirement Home? How have these forms of residential accommodation been reflected in the draft charging schedule?
- Q.32 Are the definitions of 'retirement' and 'extra care housing' in the draft charging schedule sufficiently clear and robust?
- Q.33 Do the appraisals for older persons housing incorporate appropriate build costs and unit sizes?

Main Issue 5 – Rates for Retail Development

- Q.34 What is meant in the draft charging schedule by "wholly or mainly" convenience / comparison?

- Q.35 Does the Viability Study [SUB007] make appropriate assumptions about the development costs and values of retail developments?
- Q.36 Is the proposed charge rate for all convenience justified by the viability evidence?
- Q.37 Does the viability evidence justify a Cil rate of £nil for comparison retail within the town centre?
- Q.38 Is the charging schedule for comparison retail consistent with the viability evidence? Table 7.9 in SUB007 refers to "retail warehouses".

Other Rates

- Q.39 Are the proposed £nil charging rates for "all other forms of CIL liable development" justified by the evidence and reasonable?

Overall

- Q.40 Has an appropriate balance been struck between the desirability of using CIL to contribute towards funding infrastructure and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development in the Borough as proposed in the emerging Local Plan?