



South Lakeland District Council

Draft Charging Schedule

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

Community Infrastructure Levy

for South Lakeland outside the National Parks



November 2014

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1. Introduction

- 1.1 South Lakeland District Council published the Draft Charging Schedule (DCS) for a six week consultation period. Representations were invited from 18 September to 30 October 2014 in accordance with Regulation 16 of the Community Infrastructure Levy (CIL) Regulations (as amended).
- 1.2 The purpose of this statement, in accordance with Regulation 19 (1b) of the Community Infrastructure Levy Regulations is to set out:
- That representations were made under Regulation 17 of the Community Infrastructure Levy Regulations 2010 in regard to the District Council's CIL Draft Charging Schedule
 - The number of representations;
 - A summary of the main issues

In addition this statement sets out an SLDC officer response to the main issues raised.

- 1.3 A summary of the responses to the earlier consultation on the Preliminary Draft Charging Schedule (PDCS) is set out in the PDCS Consultation Statement (August 2014). <http://www.southlakeland.gov.uk/planning-and-building/south-lakeland-local-plan/community-infrastructure-levy-infrastructure-delivery-plan/>

2. Representations and Right to be Heard

- 2.1 Representations were invited by email or letter from almost 2,000 individuals and organisations, including the statutory consultation bodies listed in Regulation 15 of the CIL Regulations 2010. A total of 31 responses were received. Pursuant to Regulation 16 (2) of the CIL Regulations 2010, the Council published a Statement of Representations, which indicated that representations may be accompanied by a request to be heard by the examiner. A total of 6 respondents have requested to be heard in person by the examiner, including Cumbria County Council in a supporting role. All those who made representations and also those who requested to be heard in person are listed in the table below.

3. Consultation on the Draft Charging Schedule

- 3.1 Following responses to the consultation on the Preliminary Draft Charging Schedule the Council produced the following additional documents:
- CIL Draft Charging Schedule (August 2014) [*including the draft Reg 123 List, draft Infrastructure Proposals List, and supporting evidence and CIL implementation proposals*]
 - Consultation Statement on Preliminary Draft Charging Schedule (August 2014)
 - South Lakeland CIL Viability Study Update (July 2014)
 - Draft Infrastructure Delivery Plan (updated August 2014)
 - Statement of Representations Procedure

These documents are available to view on the Council's website at <http://www.southlakeland.gov.uk/planning-and-building/south-lakeland-local-plan/community-infrastructure-levy-infrastructure-delivery-plan/> which included additional links to

- The CIL Preliminary Draft Charging Schedule (March 2014) [*including the draft Reg 123 List, draft Infrastructure Proposals List, and supporting evidence and CIL implementation proposals*]
- Draft Infrastructure Delivery Plan (updated August 2014)
- South Lakeland CIL Viability Study (January 2014)
- South Lakeland Land Allocations Viability Study and Appendix (March 2013)

3.2 The consultation was advertised in the Westmorland Gazette and North West Evening Mail and on the Council's website. Copies of the consultation documents, response form and Statement of Consultation Procedure were also made available for inspection at Council offices at South Lakeland House, Ulverston Town Hall and libraries at Arnside, Grange over Sands, Kendal, Kirkby Lonsdale, Milnthorpe and Ulverston.

3.3 The consultation was also publicised by other means to ensure wide awareness, These means included:

- South Lakeland News (The Council's news sheet delivered to all households in the district in Spring 2014)
- Press Release issued on 12 September 2014
- Use of Facebook and Twitter
- Update at the meeting of Eden and South Lakeland Housing Market Partnership (2 September 2014)
- Briefings to Town and Parish Councils including Local Area Partnership (LAP) meetings (of representatives of groups of Parish Councils and of the District and County Council) at Low Furness and Ulverston on 25 September and at Grange on 30 September 2014.

3.4 Those consulted were encouraged to make use of the DCS response form by email to developmentplans@southlakeland.gov.uk or in writing to the Development Plans Team at South Lakeland House, Lowther Street, Kendal, LA9 4DL, or preferably on-line.

4. Responses to Consultation

4.1 A total of 31 representations were received to the published Draft Charging Schedule which are available to view in full on the Council's website <http://applications.southlakeland.gov.uk/ldfconsultation/>

4.2 Those that made representations are listed in Table 1 below. These comprised

- **Residents** - D Holdsworth, Valerie Kennedy (on behalf of a number of residents in Grange over Sands, Kents Bank & Allithwaite)
- **Land Owners and Businesses:**
 - Bourne Leisure, Steven Ellis,

- **Government and National Agencies:**
 - English Heritage, Natural England, Network Rail, Highways Agency, Sport England, Equality and Human Rights Commission.
- **House Building Industry and Planning Consultancies**
 - Cumbria House Builders Group - CHG (Russell Armer, Storey Homes, Applethwaite, Oakmere Homes, Holbeck Homes, and Leck Construction), McCarthy and Stone (Planning Bureau) , Ashton Planning, Mason Gillibrand Architects .
- **Retailers**
 - Aldi Stores Ltd (c/o Signet Planning); Sainsbury's Supermarkets, Wm. Morrison Supermarkets.
- **Local Authorities – and Town & Parish Councils:**
 - Cumbria County Council, Cumbria Constabulary
 - Town/Parish Councils (9), Burton in Kendal, Grange over Sands, Kendal, Holme, New Hutton, Old Hutton with Holmescales, Lower Holker, Preston Patrick and Sedgwick.
- **Other Organisations and Agencies:**
 - Kendal Futures, Theatres Trust, Marine Management Organisation

Table 1 - Respondents to Publication of Draft Charging Schedule

Ref No	Name	Organisation	Wish to Attend Examination?	
			Yes	No
DCS01	Jane Johnson (Clerk)	Burton-in-Kendal Parish Council		✓
DCS02		Grange over Sands Town Council		
DCS03	Carol Hayton (Clerk)	Holme Parish Council	✓	
DCS04	Elizabeth Richardson (Clerk)	Kendal Town Council		
DCS05	Lyn Prescott (Clerk)	Lower Holker Parish Council		✓
DCS06	Arthur Robinson (Clerk)	New Hutton Parish Council		
DCS07	Arthur Robinson (Clerk)	Old Hutton & Holmescales Parish Council		
DCS08	Lesley Winter (Clerk)	Preston Patrick Parish Council		
DCS09	Jacqueline Davidson (Clerk)	Sedgwick Parish Council		
DCS10	Andrew Hunton (Crime Prevention Design Advisor)	Cumbria Constabulary		✓
DCS11	Emily Hrycan, NW Historic Environment Planning Adviser	English Heritage		
DCS12		Equality & Human Rights Commission		
DCS13	Jonathan Reade (Asset Manager)	Highways Agency		✓
DCS14	Paula Scott	Kendal Futures		✓
DCS15	Angela Gemmill	Marine Management Organisation		

Ref No	Name	Organisation	Wish to Attend Examination?	
			Yes	No
DCS16	Kate Wheeler (Lead Adviser)	Natural England		
DCS17	Diane Clarke (Town Planning Technician)	Network Rail		
DCS18	Dave McGuire (Planning Manager)	Sport England		
DCS19	Ross Anthony	Theatres Trust		
DCS20	Emma Hulley (Planner)	Signet Planning obo Aldi Stores Ltd	✓	
DCS21	Nathan Matta (Associate Director)	Nathaniel Lichfield & Partners obo Bourne Leisure Ltd		✓
DCS22	Lucie Jowett (Graduate Planner)	Peacock and Smith obo Wm Morrison Supermarkets Plc		
DCS23	Matthew Spilsbury (Associate Director, Economics)	Turley obo Sainsbury's Supermarkets Ltd		✓
DCS24	Chris Ashton	Ashton Planning		✓
DCS25	Chris Garner	Garner Planning Associates obo Cumbria House Builders Group	✓	
DCS26	Ziyad Thomas (Policy Planner)	The Planning Bureau Ltd obo McCarthy & Stone Retirement Lifestyles Ltd		✓?
DCS27	Nick Gillibrand	Mason Gillibrand Architects	✓	
DCS28	D Holdsworth			✓
DCS29	Stephen Ellis			
DCS30	Valerie Kennedy (for residents in Grange over Sands, Kents Bank & Allithwaite)		✓	
DCS31	Cumbria County Council (Michael Barry)		✓ (supporting)	

5. Summary of Main Issues and Proposed Response

- 5.1 This Consultation Statement summarises the main issues raised in consultation under Reg 15 and sets out Council officers response.
- 5.2 The main issues are summarised in **Appendix 1** with a Council officer response, set out under the following topic headings:
1. Supporting Comments
 2. Draft Charging Schedule (August 2014) and Proposed CIL Rates
 3. Reg 123 List and relationship to S.106 Agreements.
 4. CIL Viability Study, Updated July 2014
 5. Infrastructure Delivery Plan – IDP (updated August 2014) & Infrastructure Project List (*at para 4.9 in the DCS*)
 6. Instalments Policy
 7. Exceptional CIL Relief
 - 8 Future Review of CIL - and CIL Governance.
- 5.3 A summary of the main issues raised by each Respondent is also set out in **Appendix 2**.
- 5.4 A summary of proposed infrastructure additions to the IDP by Town/Parish Councils and local residents is summarised in **Appendix 3**.
- 5.5 A response to the retail issues raised in the representations is set out in **Appendix 4**.

Appendix 1: Summary of Main Issues & SLDC Officer Response

	Summary of Main Issues	SLDC Officer Response
1	Supporting Comments	
	<p>a) No comment from Preston Patrick Parish Council, the Marine Management Organisation, and the Equality and Human Rights Organisation</p> <p>b) Natural England welcomes including Green Infrastructure</p> <p>c) The Theatres Trust supports the exclusion of CIL from non-residential uses, such as theatres.</p> <p>d) New Hutton Parish Council fully supports the proposals but seeks clarification in relation to application of CIL to redundant agricultural buildings</p> <p>e) Old Hutton with Holmescales Parish Council supports proposed CIL rates, particularly in regard to affordable housing and agricultural workers dwellings</p> <p>f) Holme Parish Council - revised CIL rates and terms of payment are generally acceptable;</p> <p>g) Cumbria Constabulary welcomes reference to community safety and delivery in the draft IDP but notes the need for consultation on the process of bidding for CIL</p> <p>h) Bourne Leisure Limited support the zero rate for hotels</p> <p>i) McCarthy and Stone support the DCS provided that extra-care housing is zero rated and sheltered /retirement housing is rated at £50 sq m.</p> <p>j) Cumbria County Council considers the CIL rates and approach to instalments is appropriate and welcome future reviews of CIL to consider increasing CIL rates.</p> <p>k) Cumbria House Builders Group (CHBG) do not object to the residential CIL rates but would have have strong concerns about the use of current viability assumptions in site specific viability assessments and in future reviews of CIL.</p> <p>l) Lower Holker Parish Council considers that</p>	<p>a) Noted</p> <p>b) to l) Welcome supporting representations</p> <p>d) It is understood that CIL is liable to be paid on residential conversions of more than 100 sq m.</p> <p>g) noted, although community safety does not form part of the draft Reg 123 list.</p> <p><i>No modifications are recommended to the Draft Charging Schedule.</i></p>

	Summary of Main Issues	SLDC Officer Response
	<p>developers should be required to both pay CIL and provide affordable housing (but notes that a zero rate for affordable housing may not be sufficient incentive to build affordable housing).</p>	
2	Draft Charging Schedule (August 2014) and Proposed CIL Rates	
2.1	General	
	<p>a) Mason Gillibrand Architects object to CIL as tax on development which will act as a disincentive to development and have a considerable effect on the architectural and building sectors.</p>	<p>a) The purpose of the CIL Viability Study is to assess the impact a CIL would have on the overall viability of development in the area. SLDC has taken a cautious approach in setting a residential CIL rate in relation to the evidence on viability, and also taking account of:</p> <ul style="list-style-type: none"> • Its wish to encourage significantly increased housing delivery • Its high priority to maintain delivery of 35% of housing as affordable housing according to Local Plan Core Strategy policy CS6.3 and the Council Plan. • The potential risk of a marginal competitive disadvantage in South Lakeland's housing market, as no neighbouring authorities are currently progressing CIL
2.2	Hotels	
	<p>a) Sedgwick Parish Council express surprise at the zero rate of CIL proposed for hotels (but is levied on sheltered housing).</p>	<p>a) The proposed zero rate of CIL takes account of a revised viability assessment in the CIL Viability Study Update, July 2014.</p>
2.3	Residential	
	<p>a) Grange over Sands Town Council suggest the potential for a separate use class for sheltered housing be considered with a different or zero rate. They also note that their concerns raised in response to the Preliminary DCS (PDCS) have not been</p>	<p>a) The CIL Viability Study Update (July 2014) reviewed the viability of sheltered/retirement housing and recommended a reduction in the CIL rate from £150 sq m to £50 sq m. This is considered reasonable.</p>

	Summary of Main Issues	SLDC Officer Response
	<p>addressed. These are summarised in the PDCS Consultation Statement. The Council noted previously that CIL rates could be higher in the more profitable sites in the Cartmel Peninsula.</p> <p>b) Kendal Town Council would prefer a higher CIL rates for Kendal – and suggest that at £95 sq m greenfield sites in Kendal would remain viable. .</p> <p>c) Kendal Futures consider that for brownfield sites that a lower or zero rate should be applied.</p> <p>d) Ashton Planning considers that retirement and housing with integral care provision should be exempt from CIL because they could be unviable, given the cost of additional space, features and the cost of care.</p> <p>e) The Cumbria House Builders Group considers that the reduced rate for the Ulverston strategic housing site should apply to other strategic housing sites in the district.</p> <p>f) Mr Stephen Ellis and other owners of the allocated site West of High Sparrowmire, Windermere Road, Kendal request a lower or zero CIL rate for this site (c. 150 dwellings) because the site is subject to a covenant with the National Trust which requires a payment to the Trust before the site can be developed.</p>	<p>The issue of additional local infrastructure proposals are considered in section 5 below.</p> <p>a) and b)</p> <p>Overall it is considered that the evidence in the CIL Study Update supports a fixed rate across the district, rather than setting more fine- grained differential rates. Like most areas of the country there are variations in viability at various scales within the District. The evidence shows variation between site types within the same town as well as within market areas (e.g. Cartmel Peninsula – site types 6 and 9). Differential rates which fully reflected all variations would create a highly complex structure, raising questions about what variable rates should be applied and where lines should be drawn between different rates. Variable rates would therefore result in a much more complex, but no more effective, CIL regime. For these reasons a fixed rate continues to be proposed for the district, with the exception of the Croftlands strategic site in south Ulverston and the Canal Head areas in Kendal and Ulverston</p> <p>In relation to the rate of CIL the Council has adopted a cautious approach for the reasons set out under 2.1 a) above. The Council is committed to an early review of CIL, which will be considered in a review of the Local Development Scheme early in 2015.</p> <p>c) The CIL Viability Study and recommended rate are judged suitable to ensure the viability and deliverability of the great majority of planned residential development in</p>

	Summary of Main Issues	SLDC Officer Response
		<p>the district. The great majority of allocated sites in the Land Allocations DPD are greenfield sites.</p> <p>d) The impact on viability of care provision is recognised in proposing a zero rate of CIL for extra care housing. It is this type of housing for the elderly which incurs most care related costs.</p> <p>e) The strategic site at Croftlands in south Ulverston is considered to be the only strategic housing site allocation in the Land Allocations DPD. It is more than three times larger than the next largest allocated sites and it is recognised as having significant infrastructure requirements and constraints to address.</p> <p>f) Separate CIL rates may only be set for strategic sites. The site west of High Sparrowmire is not considered to be a strategic site. Additional development costs are normally expected to be reflected in the value of the land.</p> <p><i>No modifications are recommended to the Draft Charging Schedule.</i></p>
2.4	<p>Supermarkets/Superstores & Retail Warehouses (including related issues in the CIL Viability Study)</p>	
	<p>a) Aldi Stores, Wm. Morrison and Sainsburys Supermarkets object to the proposed CIL rates for supermarkets and retail warehouses. Aldi Stores concerns include:</p> <p>i. That typical Aldi Stores (average size 1,525 sq m fall below the defined retail size of 4000 sq m and above in the CIL Viability Study. Also Aldi's stores do not operate as a destination in their own right to meet weekly</p>	<p>A response to the retailing issues raised in representations is set out in Appendix 4.</p> <p><i>No further modifications are recommended to the Draft Charging Schedule.</i></p>

	Summary of Main Issues	SLDC Officer Response
	<p>shopping needs</p> <p>ii. That it is not appropriate for the Viability Study to apply the same assumptions for supermarkets to smaller discount stores because they are not subject to the same economies of scale as larger supermarkets</p> <p>iii. The study assumes supermarkets are coming forward on greenfield rather than brownfield sites A rate of £150 per sq m will jeopardise the regeneration of brownfield sites that Aldi are currently looking to bring forward in the short term in South Lakeland</p> <p>b) Wm. Morrison Supermarkets Plc concerns include:</p> <p>I. The need to avoid double counting of CIL and S106 & S278 contributions</p> <p>II. typical site specific S.106/S.278 costs (outwith the Reg 123 list) should be factored into the CIL Viability modelling</p> <p>III. Land Values: the Viability Study should be based more on market evidence rather than assume threshold land values and should recognise that many supermarket developments will have residential land as an alternative use value.</p> <p>IV. Comments on other viability assumptions:</p> <ul style="list-style-type: none"> • Para 6.3 – probable error in the assumed supermarket plot size – it should be 2.0ha not 2.6ha. • Table 6.1 – professional fees of 8% on complex large developments is considered too low and should be at least 12%. • Strategic promotion and planning costs at £2500 is unrealistically low –such costs should be increased to 	

	Summary of Main Issues	SLDC Officer Response
	<p style="text-align: center;">between £50,000 and £60,000.</p> <ul style="list-style-type: none"> • Omission of S106 & S278 contributions for large retail developments, which are typically £0.5m both for S106 and S278. <p>c) Sainsbury's Supermarkets Limited's notes that: the definition of a supermarket in the Viability Study differs from that in the DCS; and notes that it appears that a CIL rate for supermarkets is based on a size threshold set within the viability evidence but without formalising this within the CIL DCS.</p> <p>Sainsbury's also note:</p> <ol style="list-style-type: none"> I. The Viability Study indicates that viability to accommodate CIL for retail development drops from £150 sq m to zero somewhere between 1,700m and 150 sq m but is silent on where the threshold falls. II. In summary, the definition for 'supermarkets' in the CIL DCS is ambiguous and not fit for purpose. As a result, the difference between 'supermarkets' and other forms of retail development remains undefined for the purposes of calculating liability utilising the CIL DCS. It is highly unclear whether, and how, SLDC will apply a consistent CIL rate to retail development and what will fall within and without its definition of 'supermarkets'. This ambiguity will undoubtedly give rise to challenge post-adoption when retail development is brought forward. The definition must therefore be strengthened and consulted upon within proposed modifications to the CIL DCS prior to submission to the Planning Inspectorate for CIL Examination. 	

	Summary of Main Issues	SLDC Officer Response
3	Reg 123 List and relationship to S.106 Agreements.	
3.1	<p>a) Kendal Town Council considers that site specific highway items for employment sites should be funded from S106 or S278 not CIL</p> <p>b) The Highways Agency considers the inclusion of some A590 junction improvements in the draft Reg. 123 list does not remove the need for S278 agreements - it considers both sources can be used to fund improvements to the highway network.</p> <p>I. It also seeks inclusion in the IDP and Reg 123 list of a mitigation scheme for the A590 / Main Road / Pennington Lane junction subject to the conclusion of modelling work on development impacts.</p> <p>II. It notes that access to the mixed use regeneration opportunity proposal at Canal Head to the south of the Phase 1 allocated site at Canal Head (Policy LA5.4) is likely to be via the A590 / North Lonsdale Terrace junction. The junction may require further improvements if this non-allocated site comes forward in the plan period and it is not clear whether this has been allowed for in the identified £1,102,227. The scheme cost indicated in the Draft Charging Schedule for does not match the scheme cost indicated in the draft IDP. This discrepancy needs to be resolved.</p> <p>III. There are options for highway access improvements from the strategic road network to land adjacent to Mainline Business Park, Milnthorpe. There appears to be a funding gap of some £3.7m for a new grade separated junction. It is unclear as to the size of the LEP / CCC contribution towards the total scheme cost.</p> <p>c) Network Rail proposes that CIL be used for the enhancement of railway stations as a result of increased footfall from new</p>	<p>a) The Land Allocations DPD Viability Study (March 2013) concluded that employment sites are in general unviable for speculative development, and in particular where there are high costs associated with site access. SLDC gives a high priority to the delivery of employment sites, and the use of CIL for this purpose is an important part of the purpose for introducing CIL in order to help the delivery of this part of the Local Plan.</p> <p>b) It is considered that the amendments to CIL Regulations of 14 February 2014 mean that CIL and S278 monies cannot be used to fund the same item of infrastructure. The Council is committed to keep the IDP and draft Reg 123 list under regular (annual) review and will take full account of advice from the Highways Agency and the Cumbria County Highway Authority in future revisions. SLDC officers have and will continue to work closely and meet regularly with officers from both bodies and await further advice when the current modelling work for the A590 junctions in Ulverston and Swarthmoor is complete.</p> <p>Any corrections necessary will be made to the IDP and Infrastructure Project List. The cost of improving A590 / North Lonsdale Terrace junction will be refined as the junction design is developed. The current estimate is based on a signalised junction to accommodate the anticipated Local Plan development generated traffic. The traffic modelling assumes access to Canal Head is not via North</p>

	Summary of Main Issues	SLDC Officer Response
	<p>developments and also for measures to protect level crossings where new developments would impact on these.</p> <p>d) Sport England considers that CIL is not properly justified because the Council does not have a robust evidence base in respect of indoor and outdoor sports facilities. The scope of CIL may be too narrow in excluding indoor sports facilities.</p> <p>e) Cumbria House Builders Group considers CIL should only be used to contribute to site accesses to employment sites where there is viability evidence that this is required. The Group also considers that CIL rather than S106 agreements should fund all additional school places for the District. CHBG considers it inequitable that developments outside Kendal and Ulverston should be required to contribute to education both through CIL and S.106. The CHBG also seek clarity on whether (in relation to schools) outlying settlements are intended to be included in the references to Kendal, Ulverston and Cartmel.</p> <p>f) Cumbria County Council propose that the list of infrastructure to be funded by S106 (in the DCS) be extended to include the provision of adult social care services, either in the form of domiciliary care or to support the provision of adaptations to homes. Adult Social Care and Social Community Infrastructure are recognised in the Cumbria County Council Planning Obligation Policy, Policy CS9.2 of the South Lakeland Local Plan and the supporting Infrastructure Delivery Plan.</p>	<p>Lonsdale Terrace. Any eventual corrections necessary will be made to the IDP.</p> <p>c) The IDP already makes reference to rail related infrastructure improvements (from para 3.52 and Transport Appendix). The Council will take account of proposed enhancements to railway stations and measures to protect level crossing which are related to planned development in future updates to the IDP and the Reg 123 list, and will consider their priority for CIL funding in terms of their importance for the implementation of planned development in the South Lakeland Local Plan.</p> <p>d) The Council's evidence base in relation to sports facilities was considered sufficiently robust when examined recently for the Land Allocations DPD, adopted in December 2013, However the Council is committed to the preparation of a Development Management DPD (DMDPD) by March 2017 and will update its evidence base in relation to sports facilities in this context. The adoption of the DMDPD and associated evidence on viability will require a review of CIL and provide opportunity for consideration of sports facilities in relation to CIL funding.</p> <p>e) The Land Allocations Viability Study (March 2013) and 'Further Highway Evidence to Support Submission SLDC Land Allocations DPD' (AECOM, March 2013) provide the evidence on the costs of highway access and viability for key employment sites included in the Draft Charging Schedule. Importantly, SLDC, the County</p>

	Summary of Main Issues	SLDC Officer Response
		<p>Highway Authority and Highways Agency are very actively seeking other funding for some of these key sites at present, in particular from the Local Growth Fund. The Draft Infrastructure Project List at para. 4.9 in the DCS sets out where Local Growth Deal funding has already been secured in relation to key employment sites.</p> <p><i>Education:</i> Within Kendal and Ulverston S106s would not be sought for education. In nearby villages outside these towns where there are a smaller number of allocated sites, it is considered appropriate to seek S106 contributions to primary schools where there are insufficient spaces to meet additional demand from a development. In the Cartmel peninsula S106s would also be sought for primary schools only, where there are in insufficient spaces to meet additional demand from a development.</p> <p>f) The 'requirement' for contributions to Adult Social Care are set out in the contained in the Cumbria County Council Planning Obligations document (date) which is not an adopted Development Plan Document or Supplementary Planning Document. SLDC will consider this matter in preparing the Development Management Policies DPD, which is included in its Local Development Scheme for adoption by March 2017.</p> <p><i>No modifications are recommended to the Draft Charging Schedule.</i></p>

	Summary of Main Issues	SLDC Officer Response
4	CIL Viability Study (updated July 2014) <i>(those relating to retailing are considered under comments the DCS above)</i>	
4.1	<p>The Cumbria House Builders Group raise a number of concerns on the assumptions in the Viability Study, including:</p> <ul style="list-style-type: none"> • General – overall lack of clarity • Land value –threshold land values do not reflect a competitive return for landowners in South Lakeland • That it does not properly reflect affordable housing policy or size of units. • Residential Values – puts forward alternative evidence that suggests lower average sales prices than indicated in the Study; • Build costs are considered too low in regard to : <ul style="list-style-type: none"> ○ Those costs not accounted for in BCIS ○ Cost of roads and sewers ○ Stone facing and slate roofs ○ Higher spec. for Housing Associations ○ SLDC may seek requirements above building regulations, including through Development Briefs. ○ Abnormal costs assumptions considered too low, including on greenfield sites. ○ Overhead costs should be included. ○ Excludes cost of garages • Not clear how interest rates have been accounted for and they seem to be based on unrealistic rates of development 	<p>It is noted that the CHBG does not object to the proposed residential CIL rate but has a range of concerns relating to assumptions in the CIL Viability Study and the application of these to future site specific viability studies and also the application of these to future CIL reviews.</p> <p>In response, we note that the framework for site specific viability assessment is well established and will continue on this basis. We would also note that any future review of CIL will require a review and consultation on the methodology and assumptions underpinning the review.</p> <p>The Council is committed to an early review of CIL, which will be considered in a review of the Local Development Scheme early in 2015. This will set a time frame for a review of CIL and make clear that this will include a review of the viability methodology and assumptions.</p> <p><i>No modifications are recommended to the Draft Charging Schedule.</i></p>
5	Infrastructure Delivery Plan – IDP (updated August 2014) and Infrastructure Project List (at para 4.9 in the DCS)	
5.1	a) New Hutton and Holme Parish Councils; Kendal Town Council; Grange over Sands Town Council and Valerie Kennedy (on behalf of residents at Grange over Sands, Allithwaite and Kents Bank) request consideration of the addition of a range of local infrastructure proposals in the IDP and	a) b) c) d) A number of Town and Parish Councils and other local groups put forward local infrastructure proposals in response to the consultation on the Preliminary Draft Charging Schedule. The

	Summary of Main Issues	SLDC Officer Response
	<p>potential funding from CIL. These are summarised in more detail in Appendix 3 below.</p> <p>b) Grange over Sands Town Council seeks a clear and binding agreement that the IDP and CIL rates will remain open annually to future evidence, discussion and negotiation with local bodies. The Town Council also considers the cost estimate for works at Grange Promenade are underestimated and wrongly identified as non-essential</p> <p>c) Kendal Town Council note in particular the need to make provision for a new river crossing, a southern Link Road, a Northern Development Road, and additional sustainable transport improvements and master plan.</p> <p>d) Valerie Kennedy lists a series of local infrastructure projects relating to Grange over Sands and , with reference to specifications in the Core Strategy and also the Inspector Report on the Land Allocations DPD which are considered to represent a need for these projects and the Core Strategy):</p> <p>e) Cumbria County Council as Local Lead Flood Authority (LLFA) is producing a Flood Risk Management Strategy (not a plan as stated in the IDP). This will be incorporated in an EA Flood Risk Management Plan for the North West River Basin District. The table at para. 19 of the CCC representation (<i>at the end of Appendix 2 below</i>) lists projects that, through Flood Defence Grant in Aid from DEFRA, will have funding allocation for the next 6 years. Those with funding identified for the period 2021/2022 onwards, will be reviewed for the next 6 years programme, unless supported by partnership funding. They are nonetheless important and require the delivery of funding. It is envisaged that with future reviews of the Reg. 23 list, CIL will have an important role in supporting many of these schemes. It is recommended that the text below and table of schemes (<i>see end of Appendix 2 below</i>) replace those in paragraph 4.35 of the IDP:</p>	<p>District Council's cabinet in considering the responses to the PDCS agreed to add these to (appendix 3) of the draft Infrastructure Delivery Plan (as updated in August 2014) as a basis for on-going dialogue with Town and parish Council and relevant infrastructure and service providers through the regular updating of the IDP and review of the Reg 123 List. This regular dialogue will include;</p> <ul style="list-style-type: none"> • Consideration of areas of shared priorities between the three tiers of council administration, including for match-funding from other sources • A process of assessment by the County Highway authority • Consideration of the scope for SLDC and other bodies to assist in delivering locally important projects • The co-ordination of annual reporting on CIL expenditure by Town and Parish Councils <p>The regular review of the IDP will not also include a review of CIL rates. However the Council is committed to an early review of CIL as discussed in section 8 below</p> <p>The latest update of the IDP and draft Infrastructure Project List remains based on the infrastructure evidence presented and assessed at the examination of the Land Allocations DPD and as considered necessary for the delivery of that Plan.</p> <p>e) In addition, further proposed additions to the IDP have been made by Cumbria County Council in regard to flood risk schemes; the</p>

	Summary of Main Issues	SLDC Officer Response
	<p><i>“LLFA is producing a Flood Risk Management Strategy. This will be incorporated in a EA Flood Risk Management Plan for the North West River Basin District.”</i></p> <p>f) Mr Holdsworth considers the cost estimate (£5.1m) for a new bridge over the canal at Crooklands to be excessive and request a review by Cumbria County Highways.</p>	<p>Highways Agency and Network Rail (see 3.1 ‘b’ and ‘c’ above). As noted earlier, the Council will continue to consult and work closely with these and other bodies in its commitment to this process of regular updating of the IDP and reviewing the Reg 123 List.</p> <p>b) and d)</p> <p>While specific local infrastructure proposals will be considered in detail in future updates to the IDP, we note:</p> <ul style="list-style-type: none"> • That an element of the Grange over Sands Promenade is included under both green infrastructure and also under public realm (see tables 35 and 37 of the IDP) • The critical projects in the Infrastructure Project List are drawn from the Draft IDP considered as part of the evidence in the examination of the Land Allocations DPD. The Inspector did not request the addition of other items in the draft IDP. The highways infrastructure evidence for the Land Allocations DPD is set out in the Further Highway Evidence to Support Submission SLDC Land Allocations DPD. • Sewerage constraints re identified in para s 4.25 to 4.27 of the IDP. • In assessing request for additional local infrastructure, the Council will consider whether these should be delivered by

	Summary of Main Issues	SLDC Officer Response						
		<p>developers at planning application stage through S.106 agreements.</p> <p>f) The cost estimate for a new bridge over the canal at Crooklands was developed in 2012 based on the scheme concept design. The cost will be refined as the scheme design is developed in further detail</p> <p><i>No modifications are recommended to the Draft Charging Schedule.</i></p>						
6	Instalments Policy							
6.1	<p>a) The Cumbria House Builders Group (CHBG) proposes clarification or deletion of the statement after the instalments policy which could mean that first occupation of a dwelling on a large site requires CIL on the whole site to be paid.</p> <p>b) Sainsburys Supermarkets Ltd supports the principle of an instalments policy but considers the proposed policy fails to benefit larger, non-residential development proposals and suggests amending the policy for non-residential development, to add:</p> <table data-bbox="236 1310 884 1771"> <thead> <tr> <th><u>Chargeable Amount (£)</u></th> <th><u>Instalments</u></th> </tr> </thead> <tbody> <tr> <td>Equal or greater £250K</td> <td>6 equal instalments at the end of periods of 60, 120, 180, 240 , 300 and 360 days from commencement</td> </tr> <tr> <td>£100K & less than £250K</td> <td>5 equal instalments at the end of periods of 60, 120, 180, 240 and 300 days from commencement.</td> </tr> </tbody> </table>	<u>Chargeable Amount (£)</u>	<u>Instalments</u>	Equal or greater £250K	6 equal instalments at the end of periods of 60, 120, 180, 240 , 300 and 360 days from commencement	£100K & less than £250K	5 equal instalments at the end of periods of 60, 120, 180, 240 and 300 days from commencement.	<p>a) The statement follows on from the text preceding the instalments table. It is considered, when account is taken of the context that the meaning of the text is clear in referring to the whole of the development or relevant phase of development and not to the completion of a single dwelling.</p> <p>b) It is considered that no further changes are required to the instalments policy.</p>
<u>Chargeable Amount (£)</u>	<u>Instalments</u>							
Equal or greater £250K	6 equal instalments at the end of periods of 60, 120, 180, 240 , 300 and 360 days from commencement							
£100K & less than £250K	5 equal instalments at the end of periods of 60, 120, 180, 240 and 300 days from commencement.							

	Summary of Main Issues	SLDC Officer Response
7	Exceptional CIL Relief	
7.1	<p>a) English Heritage is concerned that the DCS does not offer relief in exceptional circumstances, where payment would CIL would threaten the viability of heritage assets at risk</p> <p>b) Sainsbury's Supermarkets Limited proposes that SLDC adopt a policy to allow discretionary relief in exceptional circumstances. This is considered vital to ensure that the viability of schemes with specific and considerable challenges can be taken into account in setting CIL liability.</p>	<p>a) and b)</p> <p>As a cautious view has been taken in the setting of the recommended CIL rates, it is not proposed to adopt Exceptional CIL relief. However this will be kept under review.</p> <p><i>No modifications are recommended to the Draft Charging Schedule.</i></p>
8	Future Reviews of CIL and CIL Governance	
8.1	<p>a) Cumbria House Builders Group (CHBG) seek assurance that the viability methodology and assumptions would be reviewed and consulted on in any future reviews of CIL</p> <p>b) Kendal Town Council would prefer more frequent reviews of CIL</p> <p>c) Holme Parish Council request future discussions with local residents.</p> <p>d) Cumbria County Council officers have developed a constructive working relationship with SLDC in the preparation of CIL and are proposing a protocol to set out arrangements for the identification and prioritisation of infrastructure schemes to be funded through CIL. It considers these arrangements would include close working between members and officers from each authority alongside effective engagement with Parish and Town Councils. Good working arrangements are considered important:</p> <ul style="list-style-type: none"> o To maximize other funding opportunities o As CCC is uniquely placed to identify funding priorities for highways and education o To monitor the implementation and minimise administrative work o To consider opportunities to maximize the benefits of CIL funding received by Parish and Town Councils 	<p>a) to c)</p> <p>The Council is committed to a review of CIL and will set this out in its forthcoming review of the Local Development Scheme early in 2015.</p> <p>d - The District Council is engaged in early and constructive discussions with Cumbria County Council on the governance of CIL, and are working towards the preparation of a joint protocol for consideration by both councils on this matter.</p> <p><i>No modifications are recommended to the Draft Charging Schedule.</i></p>

Appendix 2: Summary of Representations by Respondent

Those who have requested to attend the examination (5 no.)

Ref No	Respondent	Comments
DCS01	Burton-in-Kendal Parish Council (Miss Jane Johnson)	<ul style="list-style-type: none"> request that reference be made to the need for: <ul style="list-style-type: none"> a footpath from Burton-in-Kendal to Clawthorpe and for traffic management in the centre of the village.
DCS02	Grange-over-Sands Town Council (Claire Benbow)	<ul style="list-style-type: none"> Reiterates all the points made in the Town Council's original submission and note that none appear to have been addressed in the revised CIL documents. (these are listed in section 6 in Appendix 1) There should be a clear and binding agreement that the Infrastructure Development Plan and the CIL rates remain open annually to further evidence, discussion and negotiation with local bodies. Would like to see revised figures or a contingency plan for the possibility of sheltered housing becoming a separate use class with different or no CIL payable. Costing for works to Grange Promenade have been vastly underestimated and wrongly identified as non-essential. It is insufficient to set out a modest amount in the Infrastructure Development Plan to improve the ambience of this public open space without any commitment to repairing the seriously damaged infrastructure that supports the regeneration of the Lido and keeps the railway line and town safe from tidal damage. The most recent estimate to bring the Promenade infrastructure up to standard was approximately £100,000.000 for repairs to the sea wall, plus a further £300,000.000 to refurbish the Prom surface, the infrastructure and pedestrian surfaces in the Ornamental Gardens, and surfaces in Park Rd Gardens. This sort of costing should be recognised and committed to in the IDP Projects listing.
DCS03	Holme Parish Council (Mrs Carol Hayton)	<p>Draft Charging Schedule</p> <ul style="list-style-type: none"> Improved parking facilities must include the regulation of vehicle (particularly heavy vehicle) movement through the village. The provision and maintenance of Holme Community School should be continued. <p>Delivery Plan</p> <ul style="list-style-type: none"> The provision and maintenance of Holme Community School

Ref No	Respondent	Comments
		<p>should be continued.</p> <ul style="list-style-type: none"> • Important that waste water treatment for Holme should be included. <p>Viability Study</p> <ul style="list-style-type: none"> • Affordable Housing and Old Peoples Housing will need full discussion when plans are developed. • Terms of payment and revised rates seem generally acceptable • Employment not discussed for Holme – need to consider heavy vehicles. • Recreation facility must be included. • Need for future discussion with all resident of Holme Parish.
DCS04	Kendal Town Council, Planning Committee (Elizabeth Richardson)	<ul style="list-style-type: none"> • The response includes attached responses to Preliminary Draft Charging Schedule <p>Infrastructure Needs</p> <ul style="list-style-type: none"> • To achieve air quality targets and ease traffic congestion, there is a need for a new river crossing, for example, and other measures to make the town centre free of all but essential motorised vehicles. A Southern link road and a Northern Development Route would now be essential to allow traffic to flow • Contributions towards educational infrastructure requires more consideration. • An up-to-date Highways SATURN model and a re-run traffic model; additional Sustainable Transport Improvements and master plan; pedestrian, cycling, public transport measures etc. will need additional funding. • the lack of provision for additional, convenient and affordable car and coach parking is a serious omission. • like to see the development and costing of ecological networks and landscape enhancement within and on the edge of Kendal <p>Draft Regulation 123 List</p> <ul style="list-style-type: none"> • The Council is happy to see no CIL being levied on employment sites, but is extremely concerned that site-specific highways items are introduced into this list. S106 and S278 agreements are the appropriate means of funding. CIL was never designed for this and should be used generically. There will be scant monies left for supporting anything else if (Kendal's and others') CIL is directed at these items. <p>Appendix 3 Kendal Highways and Historic Infrastructure</p> <ul style="list-style-type: none"> • Growth Deal funding for short term priorities was announced in July 2014, and the Council welcomes the Kendal Transport Improvements to the tune of £2.3m. However, the Town Council had not realised that this money is 'pre-CIL money on account' (3.15)! So that amount of CIL has already been earmarked and spent, and not with local agreement. These

Ref No	Respondent	Comments
		<p>monies should be used for schemes SLDC and Parishes want progressed, not for schemes Highways already have on its lists as its priorities.</p> <ul style="list-style-type: none"> • Most importantly there is no contingency/money put aside for major circulation/highways schemes, for example a new bridge at New Road at possibly £7m, a Southern Link Road, a Northern Development Route etc. • This Council has indicated that the funding gap for Kendal is far, far greater than the documentation would suggest. All possible infrastructure implications should be looked at and, at the very least, rough costed now. • Would have preferred higher differential rates applied to Kendal. • Would prefer more frequent review than proposed. • Believe that setting the CIL at £95/m² could bring in perhaps £10m extra. Most sites are so considerably 'green' in the Tables that whether it was £60/m² or £95/m², they would still remain viable and create a yield above their 20% basic ('normal') profit.
DCS05	Lower Holker Parish Council	<ul style="list-style-type: none"> • Developers should be required to provide affordable housing and pay CIL: • The removal of CIL for affordable housing is not a sufficient incentive to build affordable housing, given high house prices in South Lakeland.
DCS06	New Hutton Parish Council (Arthur Robinson)	<ul style="list-style-type: none"> • Fully support the proposals but seek clarification that paragraph 2.4 concerning conversions means that CIL will apply to redundant agricultural and other buildings that are converted to residential dwellings which would be supported by the Parish Council.
DCS07	Old Hutton & Holmescales Parish Council (Arthur Robinson)	<ul style="list-style-type: none"> • Agree with the scale of charge and pleased with the zero rate categories, especially agricultural dwellings and affordable homes.
DCS08	Preston Patrick Parish Council (Lesley Winter)	<ul style="list-style-type: none"> • No comments on Draft Charging Schedule and supporting documents.
DCS09	Sedgwick Parish Council (Jaqueline Davidson)	<ul style="list-style-type: none"> • It is surprising that it not proposed to not charge a CIL on hotels but it is proposed to place the levy on sheltered/retirement housing.
DCS10	Cumbria	<ul style="list-style-type: none"> • Welcome the references to community safety and delivery of

Ref No	Respondent	Comments
	Constabulary (Mr Andrew Hunton)	<p>policing services in the Draft Infrastructure Delivery Plan.</p> <ul style="list-style-type: none"> • Further consultation and negotiation will be required on the process of bidding for CIL funding.
DCS11	English Heritage (Emily Hrycan)	<ul style="list-style-type: none"> • Concerned that DCS does not offer CIL relief in exceptional circumstances, where payment would threaten the viability of schemes designed to ensure the re-use of heritage assets at risk • The Charging Schedule should be amended to make it clear that the proposed rates do not apply to development which involves heritage assets at risk. In such cases the Council should offer CIL relief.
DCS12	Equality and Human Rights Commission	<ul style="list-style-type: none"> • No comment
DCS13	Highway Agency (Jonathan Reade)	<ul style="list-style-type: none"> • A number of the key junctions on the A590 are identified in Draft Regulation 123. Payment of CIL may not remove the need for S278 agreements. It is our opinion that authorities can use monies from both sources to fund improvements to the highway network. • There should be a reference to a mitigation scheme for the A590 / Main Road / Pennington Lane junction in the SLDC IDP and Draft Charging Schedule subject to the conclusion of modelling work on development impacts. • Access to the mixed use regeneration opportunity proposal at Canal Head to the south of the Phase 1 allocated site at Canal Head (Policy LA5.4) is likely to be via the A590 / North Lonsdale Terrace junction. The junction may require further improvements if this non-allocated site comes forward in the plan period and it is not clear whether this has been allowed for in the identified £1,102,227. The scheme cost indicated in the Draft Charging Schedule for does not match the scheme cost indicated in the draft IDP. This discrepancy needs to be resolved. • There are options for highway access improvements from the strategic road network to land adjacent to Mainline Business Park, Milnthorpe. There appears to be a funding gap of some £3.7m for a new grade separated junction. It is unclear as to the size of the LEP / CCC contribution towards the total scheme cost.
DCS14	Kendal Futures (Ms Paula Scott)	<ul style="list-style-type: none"> • The Council should consider imposing a lower rate for brownfield sites or exempting them from CIL.
DCS15	Marine	<ul style="list-style-type: none"> • No comments.

Ref No	Respondent	Comments
	Management Organisation (Angela Gemmill)	
DCS16	Natural England (Kate Wheeler)	<ul style="list-style-type: none"> • Only comments are to welcome the inclusion of Green Infrastructure (GI) and wish to take the opportunity to reiterate the important role of CIL in funding GI. • CIL offers an opportunity to secure funding for GI in advance of development and it should be robustly ring fenced. It can be shared between cost of creating and managing new green spaces and also managing existing GI. • Expect GI requirements to feature in the assessment of infrastructure needs and take into account in developing a CIL charging schedule.
DCS17	Network Rail (Diana Clarke)	<ul style="list-style-type: none"> • The Council should consider CIL being used for enhancements at railway stations as a result of increased footfall from new developments (eg CCTV, shelters, cycle storage, car parking, Customer Information Systems) • CIL should also be directed to any mitigation measures to protect level crossing where new developments would have an impact on them.
DCS18	Sport England (Dave McGuire)	<ul style="list-style-type: none"> • The proposed CIL is not properly justified because the Council does not have a robust evidence base in respect of indoor and outdoor sports facilities. It considers that the Playing Pitch Strategy (2008) is three years out of date and the Council does not have built sports facility strategy. • As a result Sport England is concerned that the scope of the CIL mechanism might be too narrow in excluding indoor sports facilities.
DCS19	The Theatres Trust (Ross Anthony)	<ul style="list-style-type: none"> • Support the exclusion from CIL of non-residential uses such as community facilities, D1, D2 and theatres (sui generis).
DCS20	Aldi Stores (Signet Planning – Emma Hulley)	<ul style="list-style-type: none"> • Maintain our objection that discount retailers such as Aldi should be treated differently from the generic superstore/supermarket. Aldi Stores Ltd note that the CIL Viability Study (July 2014) defines a supermarket/superstore as [<i>inter alia</i> .. a retail unit of 4,000 sq m, with 400 car park spaces and occupying a total site area of 2.6ha]. Aldi stores are therefore considered not to fall within the definition of a supermarket/superstore because: <ul style="list-style-type: none"> ○ The average gross floorspace is 1,525sq m ○ The average site size is 0.5ha ○ They have about 70-80 car park spaces per store ○ They do not operate as a destination in their own right where weekly shopping needs are met • not appropriate for the CIL Viability Study (July 2014) to apply

Ref No	Respondent	Comments
		<p>the same assumptions to smaller discount stores because it assumes falsely they are subject to the same economies of scale as a larger supermarket.</p> <ul style="list-style-type: none"> The study assumes supermarkets are coming forward on greenfield rather than brownfield sites A rate of £150 per sq m will jeopardise the regeneration of brownfield sites that Aldi are currently looking to bring forward in the short term in South Lakeland.
DCS21	Bourne Leisure Limited (Nathaniel Lichfield & Partners – Nathan Matta)	<ul style="list-style-type: none"> Strongly support the nil rate for hotels (Use Class C1) and uses not included in the tables above paragraph 5.17 such as holiday parks.
DCS22	Wm. Morrison Supermarkets Plc (Peacock and Smith Ltd, Lucie Jowett)	<ul style="list-style-type: none"> Strongly object to the proposed CIL rate for supermarkets and retail warehouses as it is likely to adversely affect the viability of future large scale retail developments. Need to avoid double counting of CIL and S106 & S278 contributions. Typical site specific S.106/S.278 costs outwith the Reg 123 list should be factored into the CIL Viability modelling <p>Viability Study</p> <ul style="list-style-type: none"> <u>Land Values</u>: Questions the approach to land value assumptions (existing use value, plus 20% plus £440k per ha): <ul style="list-style-type: none"> The Viability Study should include greater examination of market values, including transactional evidence threshold land values used elsewhere should not form the basis of the approach adopted flawed approach in that many foodstore/supermarket developments will have residential land as an alternative use value, not agricultural or industrial uses – consider that land owners would expect residential land value as a minimum making reference to the Examiner’s report into the Broadland, Norwich and South Norfolk CIL, where Inspector said “land owner would expect to receive at least 75% of the benchmark value2”...”reasonable to see a 25% reduction in benchmark values as the maximum that should be used in calculating a threshold land value”. Para 6.3 – draws attention to a probable error in the assumed supermarket plot size – it should be 2.0ha not 2.6ha. Table 6.1 – professional fees of 8% on complex large

Ref No	Respondent	Comments
		<p>developments is considered too low and should be at least 12%.</p> <ul style="list-style-type: none"> • Strategic promotion and planning costs at £2500 is unrealistically low –such costs should be increased to between £50,000 and £60,000. • The appraisal omits S106 & S278 contributions for large retail developments which are typically £0.5m both for S106 and S278.
DCS23	Sainsbury's Supermarkets Limited (Turley - Matthew Spilsbury)	<p>Definition of Supermarket</p> <ul style="list-style-type: none"> • Continue to object to proposed CIL rate of £150 sq m for supermarkets. • The definition of supermarket in the CIL Viability Study is different from the definition within the CIL DCS. It appears that a CIL rate for supermarkets is based on a size threshold set within the viability evidence but without formalising this within the CIL DCS • The CIL Regs permit differentiation by scale if there is clear evidence that the proposed threshold marks a point at which viability changes. The Viability Study indicates that viability to accommodate CIL for retail development drops from £150 sq m to zero somewhere between 1,700m and 150 sq m but is silent as to where the threshold falls. • In summary, the definition for 'supermarkets' in the CIL DCS is ambiguous and not fit for purpose. As a result, the difference between 'supermarkets' and other forms of retail development remains undefined for the purposes of calculating liability utilising the CIL DCS. It is highly unclear whether, and how, SLDC will apply a consistent CIL rate to retail development and what will fall within and without its definition of 'supermarkets'. This ambiguity will undoubtedly give rise to challenge post-adoption when retail development is brought forward. The definition must therefore be strengthened and consulted upon within proposed modifications to the CIL DCS prior to submission to the Planning Inspectorate for CIL Examination. <p>Discretionary Relief in Exceptional Circumstances</p> <ul style="list-style-type: none"> • SLDC should introduce a policy to permit discretionary relief in exceptional circumstances. This is vital to ensure that there is a mechanism by which the viability of schemes with specific and considerable challenges can be taken into account in setting CIL liability. <p>Instalments Policy</p> <ul style="list-style-type: none"> • Supportive of the principle of introducing an instalments policy but consider the proposed policy fails to benefit larger, non-residential development proposals • Suggests amending the instalments policy for non-residential development, to add the following:

Ref No	Respondent	Comments
		<p><u>Chargeable Amount (£)</u> <i>Equal or greater £250K</i></p> <p><u>Instalments</u> <i>6 equal instalments at the end of periods of 60, 120, 180, 240 , 300 and 360 days from commencement</i></p> <p><i>£100K & less than £250K</i> 5 equal instalments at the end of periods of 60, 120, 180, 240 and 300 days from commencement</p>
DCS24	Ashton Planning (Chris Ashton)	<ul style="list-style-type: none"> Retirement and housing with integral care provision should be exempt from CIL because they could be unviable given space and fixtures needed for internal wheel chair accessibility and the cost of care at home (in the context of unmet need, even a crisis for elderly folk and the House of Lords Select Committee call for local government to review planning policy for this sector and NHS plans for much more care at home) No mention of sewage treatment in the draft infrastructure project list.
DCS25	<p>Cumbria House Builders Group (Garner Planning Associates)</p> <p>[the CHBG comprises Story Homes, Russell Armer, Applethwaite, Oakmere Homes & Holbeck Homes]</p>	<p>Draft Charging Schedule: (with reference to para numbers in DCS)</p> <ul style="list-style-type: none"> Para 2.1: Do not object to the proposed CIL rates for Residential, Croftlands Strategic Housing Site, Sheltered/Retirement Housing and Extra Care Housing. CHBG has concerns over the viability methodology and assumptions made, because of their possible impact on future site specific viability and any future review of CIL rates. The following issues are likely to be raised in the context of individual site viability discussions and may require adjustments to the Councils' aspirations in relation to matters including materials, renewable energy requirements, S106 contributions and affordable housing levels. CHBG considers that the proposed CIL rate will not in itself threaten the ability to develop sites but may do so when taken in combination with other planning authority aspirations. A lower level of affordable housing is permitted by Policy CS6.3 where the policy requirement would make the development unviable. <p>Draft Infrastructure Project List:</p> <ul style="list-style-type: none"> (also para 6.7) CHNB support bringing forward employment sites but consider CIL should only be used to contribute to site access to employment sites where there is viability evidence that this is required. Education: (also para 6.5) CIL should fund all additional school places for the whole of the District. It is considered inequitable that developments outside Kendal and Ulverston should be required to contribute to education both through CIL and also through S.106.

Ref No	Respondent	Comments
		<ul style="list-style-type: none"> • Other points raised: <ul style="list-style-type: none"> ○ Para 4.10: Funding gap is based on some very approximate figures ○ Para 4.12: Useful to clarify likely income from New Homes Bonus; ○ Para 4.15: Appraisals do not take account of previous concerns expressed regarding viability methodology and inputs ○ Para 4.17: Build cost reference is misleading as BCIS costs have increased by 13%, balanced by a reduction in provision for increased environmental improvements from 6% to 1.5% of BCIS ○ Alterations to size and mix of affordable housing are not shown by changing the GIA of affordable housing units – confusing, with wider implications for viability outputs ○ Para 4.19: not convinced by viability evidence that LPA's stated aspirations are achievable ○ Para 5.7: all issues raised need to be taken into account in viability ○ Para 5.9: considers the Council's record in relation to affordable housing is overstated and should not be over confident that adding CIL will have no impact on future site delivery ○ Para 5.10: agree SL may be at some disadvantage to neighbouring LPAs not progressing CIL ○ Para 5.11: any revision of CIL may impact on deliverability of sites progressing under earlier CIL rates ○ Para 5.12: the Viability Study does not include a large previously developed site, only small ones. ○ Para 5.13: questions the reference to a maximum rate of CIL ○ Para 6.1 – useful to have a glossary definition of infrastructure ○ Para 6.23: average size of open market unit is different to that referred to in Viability Update. ○ Para 6.27: Support the instalments policy but propose deletion or clarification of the accompanying statement “ <i>In all cases the full balance is payable on occupation/opening of the development if this is earlier than the due instalment dates set out above</i>” - which is considered could mean that first occupation of a dwelling on a large scheme means that all CIL be paid. ○ Para 6.34: If the IDP is reviewed annually any removal of CIL items which require compensatory S.106 agreements may therefore impact on site viability ○ Any future review of CIL must be based on an

Ref No	Respondent	Comments
		<p style="text-align: center;">appropriate review of the approach to viability.</p> <p>Reg. 123 List</p> <ul style="list-style-type: none"> • It is not clear if outlying settlements are intended to be included in the references to Kendal, Ulverston and Cartmel. The list should provide for new primary and secondary school places throughout the district. <p>PDCS Consultation Statement: <i>(with reference to section A1 etc in Table 1 in the document)</i></p> <ul style="list-style-type: none"> • A1 - Concerned that viabilities do not take affordable housing requirement into account. • A2 - Welcome reduction in rate but this needs supporting evidence. • A3 - Reduced rate for Ulverston strategic site should apply to other strategic sites • A4 – Commentary on scope for viability assessment on individual sites and to reduce affordable housing... • A5 - Welcome reduced rates for sheltered/retirement and extra care housing. • Detailed comments on the following: <ul style="list-style-type: none"> ○ B2 – CIL will reduce land values not developers' profit levels so reference to CI Las a % of GDV is not the correct comparison. ○ B3 - reduction in proposed CIL rates is welcome but disagree with the reason ○ C4 – CIL should fund all education provision ○ C5 - County Council's Planning Obligations Policy used for S106 not a DPD or SPD. <p>CIL Viability Study Update, July 2014:</p> <p>A number of detailed comments indicating that the CHBG continue to have concerns about the assumptions in the Viability Study and that these will form the basis for future assessments of individual sites. These can be summarised as follows:</p> <ul style="list-style-type: none"> • General - lack of clarity and difficult to understand. • Land value – do not consider that threshold land values reflect a competitive return for landowners in South Lakeland • Detailed views commentary that viability examples do not properly reflect affordable housing policy or size of units. • Residential Values – offers alternative evidence that average sales prices in October 2013 and October 2014 suggest lower average sales prices than indicated in the Study; • Build costs are considered too low in regard to : <ul style="list-style-type: none"> ○ Those costs not accounted for in BCIS ○ Cost of roads and sewers ○ Stone facing and slate roofs

Ref No	Respondent	Comments
		<ul style="list-style-type: none"> ○ Higher specifications for Housing Associations ○ SLDC may seek requirements above building regulations, including through Development Briefs. ● Abnormal costs assumptions are considered too low, including on greenfield sites. ● Overhead costs should be included. ● Not clear how interest rates have been accounted for and they seem to be based on unrealistic rates of development. ● Excludes cost of garages ● Welcome the revised CIL rate of £50 sq m for sheltered/retirement housing and a zero rate for extra care housing. ● Instalments policy – concern over the caveat below the proposed instalments table which seems to require immediate payment on first occupation.
DCS26	McCarthy & Stone (The Planning Bureau Ltd – Ziyad Thomas)	<ul style="list-style-type: none"> ● Supports the Draft Charging Schedule provided that: <ul style="list-style-type: none"> ○ Extra Care accommodation is not subject to the district wide CIL rate; and ○ Sheltered/Retirement Housing is now subject to a rate of £50 per sq m. ● Do not support the extremely low land values including the cost of previously developed land used in the appraisal - but are in broad agreement with the Charging Schedule and do not wish to pursue the objection to examination.
DCS27	Mason Gillibrand Architects (Mr Nick Gillibrand)	<ul style="list-style-type: none"> ● Objects to raising revenue by taxing building operations. A 5% charge on development will be a massive disincentive to build and will affect the architectural and building sectors considerably. ● Will the funds raised go to infrastructure rather than Council services?
DCS28	D Holdsworth (Individual)	<ul style="list-style-type: none"> ● The estimates set out in Table 9, particularly that for Crooklands Canal Bridge (in excess of £5m) seem excessively high. This means that the only viable option to service the industrial estate is a junction from the A590 which has been rejected locally. Please consult CCC again to ensure the estimates are realistic.
DCS29	Stephen Ellis (and other landowners of an allocated site West of High Sparrowmire. Kendal)	<ul style="list-style-type: none"> ● The proposed development site west of High Sparrowmire should be exempt from CIL or subject to a reduced rate because it is subject of a Covenant with the National Trust (NT) which requires a payment to the NT before the site can be developed. ● The imposition of CIL should be subject to relief in respect of those sites where the imposition of the CIL could prejudice development, otherwise the CIL could undermine the delivery of the Plan. In these circumstances it would not be anti competitive and in breach of state aid rules as suggested at

Ref No	Respondent	Comments
		paragraph 6.32 of the Draft Charging Schedule.
DCS30	Mrs Valerie Kennedy (on behalf of a group of residents living in Grange-over-Sands, Kents Bank and Allithwaite)	<p>Draft Infrastructure Delivery Plan</p> <ul style="list-style-type: none"> • Why have the improvements to infrastructure included in the Inspector’s Report on the Land Allocation DPD not been included. See full submission for a list of the schemes, and as summarised in Appendix 3 below. • The only transport infrastructure scheme identified for the Cartmel peninsula or Grange-over-Sands is a footway between Lindale and Grange-over-Sands. This is nonsense. <i>SLDC's Core Strategy</i> identifies a number of infrastructure problems that need to be solved to ensure that Grange-over-Sands remains a vibrant coastal tourist town as set out in their vision for Grange-over-Sands. See full submission for a list of the schemes. • Local residents do not understand why SLDC has not identified any water, sewerage or flooding infrastructure projects for Grange-over-Sands. See full submission for a list of the schemes, and as summarised at Appendix 3 below.
DCS31	Cumbria County Council (Michael Barry)	<p>Propose Rate of CIL</p> <ul style="list-style-type: none"> • Considers that the level of CIL and approach to instalments is appropriate. • Welcome the £0 rate now proposed for extra care housing and the reduced £50 rate to sheltered housing. • Satisfied that the need for review has been sufficiently addressed within paragraphs 6.34 and 6.35 of the Draft Charging Schedule. Members felt that it is important that the level of CIL can be maximised and there should be consideration given to increasing the rates of CIL in areas where development can viably sustain it when the review is carried out. • It is proposed when discussing the Local Growth Fund within the CIL Charging Schedule references to “<i>Regional Growth Fund</i>” be replaced by “<i>Local Growth Fund</i>”. • Agree that CIL can be used to support access to employment sites and suggest other funding sources. • Within Appendix 1 to the Draft Charging Schedule, the list of infrastructure S106 may be used to fund needs to be extended to encompass the provision of adult social care services. • Suggest joint working arrangements with the County Council and Town and Parish Councils to oversee the use of CIL. <p>Infrastructure Projects to be wholly or part funded by CIL</p> <ul style="list-style-type: none"> • Recognises that the IDP demonstrates a significant infrastructure deficit – without CIL many aspects of the infrastructure required would not be delivered. • CCC also recognises that CIL will not fund all infrastructure

Ref No	Respondent	Comments
		<p>needs and will therefore work in Partnership with Cumbria LEP to explore opportunities for other funding sources, such as Local Growth Fund. The recently adopted Local Plan and emerging CIL has already helped the Cumbria LEP to secure £8.7m in funding within South Lakeland in 2015/16 and 2016/17 to deliver key transport infrastructure required to facilitate development. For clarity it is proposed that references in the DCS to 'Regional Growth Fund' are replaced by 'Local Growth Fund'.</p> <ul style="list-style-type: none"> • CCC also notes: <ul style="list-style-type: none"> ○ Note that the funding from CIL of highway improvements and delivery of school places represent key CCC interest and priorities, but schemes will also need to satisfy CCC's own constitutional requirements and priorities. ○ Support for the inclusion of access improvements to a number of employment sites in the CIL charging schedule ○ Support for the ongoing review of the IDP, as evidence may support further CIL eligible schemes in future. ○ That it considers that the list of infrastructure in the Reg 123 List (Appendix 1 of the DCS) should be extended to include the provision of adult social care services, either in the form of domiciliary care or to support the provision of adaptations to homes, which it notes are recognised in the CCC Planning Obligations Policy, Policy CS9.2 of the South Lakeland Local Plan (Core Strategy) and the supporting IDP. . <p>Operation of CIL</p> <ul style="list-style-type: none"> • CCC officers have developed a constructive working relationship with SLDC in the preparation of CIL and are proposing a protocol to set out arrangements for the identification and prioritisation of infrastructure schemes to be funded through CIL. It considers these arrangements would include close working between members and officers from each authority alongside effective engagement with Parish and Town Councils. Good working arrangements are considered important: <ul style="list-style-type: none"> ○ To maximize funding from other funding opportunities ○ As CCC is uniquely placed to identify funding priorities for highways and education ○ To monitor the implementation of schemes and minimise administrative work ○ To consider opportunities to maximize the benefits of CIL funding received by Parish and Town Councils

Ref No	Respondent	Comments
		<p>Infrastructure Delivery Plan</p> <p><u>Highways and Transport</u></p> <ul style="list-style-type: none"> • Welcome recognition in the IDP that Growth Deal funding in 2015/16 has been secured against Kendal's infrastructure improvements and access improvements in south Ulverston. • While funding is committed to these programmes of infrastructure, the individual schemes delivered may be subject to change and in this cases an alternative delivery mechanism for these schemes may be need to be identified. <p><u>Flooding</u></p> <ul style="list-style-type: none"> • CCC as Local Lead Flood Authority (LLFA) is producing a Flood Risk Management Strategy (not a plan as stated in the IDP). This will be incorporated in an EA Flood Risk Management Plan for the North West River Basin District. The table at para. 19 of the County Council's comments lists projects that, through Flood Defence Grant in Aid from DEFRA, will have funding allocation for the next 6 years. Those with funding identified for the period 2021/2022 onwards, will be reviewed for the next 6 years programme, unless supported by partnership funding. They are nonetheless important and require the delivery of funding. It is envisaged that with future reviews of the Reg. 123 list, CIL will have an important role in supporting many of these schemes. It is recommended that the following text and table of schemes below replace those in paragraph 4.35 of the IDP: <p><i>“LLFA is producing a Flood Risk Management Strategy. This will be incorporated in a EA Flood Risk Management Plan for the North West River Basin District.”</i></p>

Table from Flood Risk Management Plan

Bids to RFCC Project Name	Lead	Type of Scheme	Cost	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 Onwards
Ulverston Urban Drainage	Cumbria CC	DEF	615,000	-	-	100,000	515,000	-	-	-
Low Becks, Kirkby in Furness	Cumbria CC	PLP	77,000	-	-	-	10,000	67,000	-	-
Carrus Green, Kendal	Cumbria CC	DEF	65,000	-	-	-	-	-	20,000	45,000
Ulverston FRM Scheme	EA	DEF	4,793,000	2,793,000	2,000,000	-	-	-	-	-
Arnside Embankment	EA	DEF	300,000	-	-	300,000	-	-	-	-
Ulverston, Dragley Beck Rydal Road	EA	DEF	500,000	-	-	-	100,000	400,000	-	-
Grange-Over-Sands, Windermere Road	EA	DEF	880,000	-	-	190,000	690,000	-	-	-
Grasmere, River Rothay	EA	DEF	150,000	-	-	-	-	-	50,000	100,000
Braithwaite Embankment Refurbishment	EA	CM	255,000	-	-	-	-	5,000	250,000	-
Fisher Beck, Ambleside	EA	PLP	80,000	-	-	-	-	-	80,000	-
Kendal, River Kent	EA	DEF	3,950,000	-	-	-	-	250,000	-	3,700,000
Lyth Valley Drainage Investigation	EA	CM	1,226,000	154,000	-	-	-	-	-	1,072,000
Poaka Beck, Dalton-in-Furness	EA	DEF	800,000	-	-	-	-	-	-	800,000
Arrad Marsh/Canal Foot, Ulverston	EA	DEF	1,520,000	20,000	-	-	-	-	-	1,500,000
Stock Ghyll, Ambleside	EA	PLP	152,000	-	-	-	-	-	-	152,000
Soutergate Beck, Kirkby-in-Furness	EA	DEF	70,000	-	-	-	-	-	-	70,000

Troutbeck Bridge, Bell Beck	EA	DEF	120,000	-	-	-	-	-	120,000
Coniston, Church Beck	EA	DEF	325,000	-	-	-	-	-	325,000
Milnthorpe, Strands River Bela	EA	PLP	80,000	-	-	-	-	-	80,000
Broughton in Furness Culvert Refurbishment	EA	CM	160,000	-	-	-	-	-	160,000
Haverthwaite, Leven	EA	DEF	650,000	-	-	-	-	-	650,000
Lindale Beck, Grange-over-Sands	EA	DEF	120,000	-	-	-	-	-	12,000

Appendix 3 - Summary of Proposed Infrastructure Additions to IDP by Town/Parish Councils and Local Residents in Response to the published CIL Draft Charging Schedule.

Respondent	Summary of Infrastructure Request
Burton in Kendal Parish Council	<ul style="list-style-type: none"> • footpath from Burton-in-Kendal to Clawthorpe and • for traffic management in the centre of the village.
Holme Parish Council	<ul style="list-style-type: none"> • Improved parking facilities must include the regulation of vehicle (particularly heavy vehicle) movement through the village. • The provision and maintenance of Holme Community School should be continued. • Important that waste water treatment for Holme should be included. • Recreation facility must be included.
Grange over Sands Town Council	<p>Reiterate requests made in response to Preliminary Draft Charging Schedule as follows:</p> <p>The Town Council does not believe the Cartmel Peninsula Traffic Study contains appropriate evidence and considers that a Sustainable Transport Strategy is needed for the Peninsula.</p> <p>More specifically, the IDP should identify the following:</p> <ul style="list-style-type: none"> • Traffic mitigation measures on through routes in the Cartmel Peninsula • Restrict parking in the town centre and improve car parks • Traffic mitigation to relieve congestion in the town centre • Mitigation measures on the B5277 in relation to effect of unrestricted parking proposals • Mitigation measures to control parking on narrow highways • Protection of main bus routes through narrow highways by adding double yellow lines • Introduction of urban 20mph speed restriction in all residential areas. • Redevelopment of Promenade to provide safe and accessible access.

	<ul style="list-style-type: none"> • Safe pedestrian routes into town with pedestrian controlled lights to at least access bus services, including bus routes. • Cycle routes • Park and ride site near Meathop • A continuous walking and cycling route from Blawith Point to Grange Promenade through to Kents Bank Station, upgrading existing pathways including coastal path at Kents Bank. • General sustainable travel improvements <p>In addition the cost estimates for repairing the Grange promenade need updating.</p>
Kendal Town Council	<p><u>Traffic Model:</u></p> <ul style="list-style-type: none"> • Request an up to date Highways SATURN model. • Re-run traffic model to identify roads where traffic volume increases by more than a given factor verses the base case (20%), or where increased volume (say 300-400 vehicles/hour) is likely to lead to calls for other measures such as new 20 mph calmed zones, pedestrian crossings etc. <p><u>Sustainable Transport Improvements</u> - Identify the following measures in IDP: :</p> <ul style="list-style-type: none"> • Would like a master plan produced for walking and cycling through the town, from existing and new residential and business areas, this should include: <ul style="list-style-type: none"> - Clearly identified safe walking / buggy pushing /cycling routes to school, nurseries. - Comprehensive cycling network - Pedestrian /cycle friendly routes through town centre - Public transport plan for wider catchment of Kendal College - Recognition of Lakes Line serving Kendal schools <p>The use of the master plan should identify gaps and then draw up a list of additional sustainable transport improvements.</p> <p><u>Public Transport:</u></p> <ul style="list-style-type: none"> • Identify additional improvements • Re-work costings so they include a comprehensive full day town bus service, bus shelters and real time displays. <p><u>Attractive cycling and walking movement:</u></p> <ul style="list-style-type: none"> • Weather-proofing- improved road surfaces, investment in snow clearings, improved lighting, secure weather proof cycle racks and e-bike recharging positions. <p><u>Air Quality:</u></p> <ul style="list-style-type: none"> • Make town centre free of all but essential motorised vehicles, may require new river crossing. <p><u>Car Parking:</u></p> <ul style="list-style-type: none"> • New town centre parking for cars and coaches

	<p><u>Improved access to green spaces:</u></p> <ul style="list-style-type: none"> • Footpaths, cycle tracks, benches, miles without stiles and interpretative panels.
<p>Valerie Kennedy (on behalf of a Group of Residents at Grange over Sands, Kents Bank and Allithwaite).</p>	<p>The Infrastructure Delivery Plan fails to include requirement for following in the Cartmel Peninsula – these should be included as a priority and referenced in the IDP (<i>reference is made to specifications in the Inspector Report identifying the need for these projects and the Core Strategy</i>):</p> <p><u>Highways Improvements</u></p> <ul style="list-style-type: none"> • Highway access improvements from A590 to Grange-over-Sands. • Traffic management in centre of Grange over Sands particularly on Main Street and Kents Bank Road, reference also made to Risedale Hill. Reinstatement of Berners Close Bridge to the Promenade. • Upgrading the promenade • Rebuilding footbridges – reference made to reintroduction of two footbridges at Clare House Lane and Berners Close in Grange to cross the railway. • Developing new links. • Reference to improving car and cycle parking, security and real-time information at Grange Railways Station and also opportunity for linked cycle routes from the rail station. • Improve pedestrian experience of Grange Town Centre between both ends and centre. • Footway on Holme Lane to allow safe access from North of Jack Hill site allocation to services and facilities in Allithwaite • Footway on Flookburgh Road to allow safe access from site allocation land to rear of Almond Bank to services and facilities in Allithwaite • Footway between Land rear of Barn Hey allocation and the village centre in Allithwaite Safe cycle route Kents Bank to Grange-over-Sands. <p><u>Water, Sewerage and Flooding Infrastructure:</u></p> <p>IDP fails to identify following projects to address flooding impacts:</p> <ul style="list-style-type: none"> • On Windermere Road • Railway underpass near site allocation South of Thornfield Road • Between Railway Embankment and Sedgwick Court • Next to Kents Bank Station • Sewerage constraints in Cartmel Peninsula

Appendix 4 – SLDC Community Infrastructure Levy (CIL) Supermarket Development Additional Viability Comment.

1. This brief paper has been prepared (by Simon Drummond-Hay of HDH Planning and Development Ltd) following the consultation in the SLDC Draft Charging Schedule to address the viability points raised by the 'supermarket' operators. A range of other and wider comments were made, however this paper will only consider those that relate to the viability evidence.
2. Peacock and Smith, acting for **Morrisons** raise a number of points:
 - a. Land Value – we consider the assumptions in relation to land value to be consistent across the study (and through the earlier work in relation to the Land Allocations DPD) and to be sound. These have not been revised as they are in line with the work set out in Chapter 4 of the CIL Viability Update and Chapter 6 of SLDC Land Allocations DPD Viability Study.
 - b. It is suggested that the report and the appraisals are inconsistent in relation in relation to the site size. The appraisals are based on a site size of 2.6ha so are consistent in this regard.
 - c. We have some sympathy with the contention that £2,500 is too low to reflect strategic promotion – it is however important to note that this allowance in the appraisals does not include the costs of a planning application and only covers the strategic promotion of the site. We have rerun the appraisals assuming fees of £50,000 for strategic promotion on the larger sites and £10,000 for the smaller sites.
 - d. It is suggested that the fees are too low at 8% of costs. It is contended that an allowance of 12% of costs should be used for fees. Bearing mind the nature of the SLDC area and the infrastructure requirements we believe that the allowance of 8% is appropriate (and was tested through the earlier rounds of consultation going back to 2012). At over £350,000 (being the 8% of the constructions costs) there is sufficient allowance for both a high quality design and the necessary technical inputs. It should be noted that the appraisals also include an allowance for sales agents fees that of in excess of £300,000 for disposal of the completed project. Where a supermarket is developed by an operator (as is the norm and as clearly envisaged by Morrisons) this will not be required.
 - e. It is suggested that potential s106 costs have been incorrectly omitted. It is contended that a s106 allowance of £500,000 should be used. . We have considered the s106 requirements for supermarkets with the Council and in the context of the infrastructure requirements set out the in the IDP. In doing this the restrictions on s106 payments set out in CIL Regulations 122 and 123 have been taken into account. We do not believe it is appropriate to make an adjustment in this regard.
3. Signet Planning make a number of comments on behalf of **Aldi**. The principal concern raised is in connection with the definition of a supermarket. Following the publication of the Preliminary Draft Charging Schedule (PDCS) the viability evidence was updated. It was recognised that the smaller supermarkets, including those likely to be occupied by Lidl or Aldi, were not properly considered in the earlier evidence so they were specifically appraised in Chapter 6 of the CIL Viability Update. A smaller unit size (still falling within the definition of a supermarket) was considered. No comments have been received in relation to this modelling.

4. Some concern has been raised as to whether the viability testing properly considers the Aldi / Lidl type business model. It is not the purpose of the viability testing to appraise any particular operator's business model. These retailers are considered to operate from units that fall within the supermarket category for the purpose of SLDC's CIL. It would not be appropriate to set a particular rate of CIL that was specific to one or two operators – such an approach would likely to be in breach of the 'state aid rules'.
5. It is also suggested that the construction costs are understated. We do not believe this to be the case, having based the assumption on the BCIS costs. We have not adjusted the modelling in this regard.
6. Turleys have made representations on behalf of **Sainsburys**. We take the opportunity to stress that there is no intention to introduce size thresholds in relation to the rates of CIL in the retail sector. It is however necessary to model different store configurations for the appraisals. The sizes used represent the modelling as set out through the consultation process.

Rerun Appraisals

7. We have rerun the appraisals adjusting the allowance for strategic promotion:
8. Based on the comments set out above and these revised appraisals we have not changed our earlier recommendations and remain of the view that the proposed rates of CIL would not threaten (or put at serious risk) the Council's Plan and would enable the funding of the infrastructure required to support the Plan.

19 November 2014
RS Drummond-Hay MRICS
HDH Planning

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