



# **Swindon Borough Council Community Infrastructure Levy Draft Charging Schedule**

## **Examination in Public**

## **Representations on behalf of Sainsbury's Supermarkets Ltd**

**October 2014**

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Appendix A – Letter from SBC to WYG dated 30.05.13.

Appendix B – Minutes of Meeting between SBC and WYG dated 25.06.13.

Appendix C – Letter from SBC to WYG dated 26.06.13.





## 1.0 Introduction

### 1.1 Scope and Purpose

1.1.1 Sainsbury's Supermarkets Ltd monitors and actively engages in the development of policy across the UK. It has taken a keen interest in the development of the draft Community Infrastructure Levy (CIL) Charging Schedule being prepared by Swindon Borough Council (SBC). WYG has made representations on behalf of Sainsbury's on the draft charging schedules and evidence base underpinning it:

- 21 September 2012 – Preliminary Draft CIL Charging Schedule
- 30 May 2013 – Draft CIL Charging Schedule

1.1.2 This statement builds on the above earlier submissions in relation to the SBC draft charging schedule in respect of the Government Regulations for preparing CIL charging rates and the supporting evidence based being considered at the Examination in Public (EiP).

1.1.3 It seeks to address the matters being considered by the Inspector at the EiP. In particular, it focuses on the questions set out for discussion under Issue 1 (Justification/Balance/Viability) and Issue 3 (Levy Rates on Other Uses) at the EiP, namely:

- Is the Schedule justified by appropriate available evidence, having regard to the national CIL Guidance (2014), NPPF (the framework), the local economic context and infrastructure needs, the Local Plan (LP) and Infrastructure Delivery Plan?
- Overall, does it strike the right balance between helping to fund the new infrastructure required and the potential effects on economic viability of development across the Borough?
- What is the rationale behind sticking to the S106 method for providing the necessary infrastructure for the major expansion areas in the Borough? Is there not a danger that the limitations of S106 funding for multiple developments in Zone 1 residential areas will restrict the potential for funding for necessary infrastructure?
- Are the rates for other uses in the schedule reasonable and realistic in relation to an appropriate balance between helping to fund new infrastructure and the potential impacts on economic viability?



- 1.1.4 Sainsbury's has an interest in the New Eastern Villages (NEV) New Community being brought forward within the emerging Swindon Local Plan as a strategic expansion area. This is the largest strategic allocation, accounting for 27% of the housing requirement for Swindon.
- 1.1.5 It will be argued that retail development within the New Communities (as defined in the Draft Charging Schedule) should be exempt from a CIL charge (as is the case for residential and employment development within these areas). The viability evidence underpinning the Draft Charging Schedule recommends that the New Communities should be brought forward using S106 planning obligations and be exempt from a CIL charge. This recommendation has been followed for residential and employment uses within the New Communities, but a CIL charge remains for retail uses. This is unreasonable and could put at risk the delivery of the important community facilities planned within a district centre to serve the new homes and businesses of the NEV. Thus, it could prevent a sustainable development in the NEV being delivered, in line with the Local Plan.
- 1.1.6 Our statement covers the following matters:
- Section 2: sets out the requirements for local planning authorities in the CIL Regulations (2014), the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG) and reviews SBC evidence on economic viability.
  - Section 3: sets out why the draft charging schedule is not reasonable and realistic with regard to the Regulations and evidence base on economic viability across the Borough.
  - Section 4: sets out a conclusion, including our suggested amendment to the CIL Charging Schedule.



## 2.0 The Legislative and Policy Background

### 2.1 The 2008 Town & County Planning Act

- 2.1.1 The 2008 Act introduced and set the framework for CIL. Section 211 (2)(b) requires that the charging authority, in setting rates, must have regard to matters relating to the economic viability of development.
- 2.1.2 Section 212(4)(b) requires that the charging authority certify that they have used "*appropriate available evidence to inform the draft charging schedule*". Authorities have a statutory responsibility to ensure that there is adequate appropriate available evidence – in the absence of such evidence they could not properly give a certificate.

### 2.2 The CIL Regulations as amended (2014)

- 2.2.1 The CIL Regulations set out the basis for preparing charging schedules.
- 2.2.2 Regulation 14 notes that in setting rates in a charging schedule, a charging authority must strike an appropriate balance between the desirability of funding infrastructure from CIL and the potential effects of the imposition of CIL on the economic viability of development across its area.

### 2.3 National Planning Policy Framework (NPPF)

- 2.3.1 The NPPF, at paragraph 173, states that "*the sites and scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened*".
- 2.3.2 Furthermore, the NPPF advises that CIL charges should be worked up and tested alongside the Local Plan and that CIL should support and incentivise new development.

### 2.4 National Planning Practice Guidance (NPPG)

- 2.4.1 The NPPG reflects advice as set out in the NPPF, in that charging authorities should set a rate which does not threaten the ability to develop viably the sites and scale of development in the Local Plan (Community Infrastructure Levy Paragraph 8). The NPPG also recognises that charging authorities should strike an appropriate balance between the desirability of funding infrastructure from the levy



and the potential impact upon the economic viability of development across their area (paragraph 8).

- 2.4.2 Paragraph 9 notes that the levy is expected to have a positive economic effect on development across a local plan area and that charging authorities should be able to show and explain how their proposed levy rates will contribute towards the implementation of their relevant plan and support development across their area.

## **2.5 SBC Draft Charging Schedule**

- 2.5.1 The Draft Charging Schedule sets out the following rates:

- Residential Zone 1: Swindon's New Communities = £0 per sq m
- Residential Zone 2: Rest of Borough (excluding Swindon's New Communities) = £55 per sq m
- Retail Zone 1: Town Centre - £0 per sq m
- Retail Zone 2: Rest of Borough (excluding Town Centre) = £100 per sq m
- All other uses = £0 per sq m

- 2.5.2 'Retail' is defined in the Draft Charging Schedule as "any retail use falling within Class A of the Town & Country Planning Use Classes Order 1987 (as amended) including sui-generis uses i.e. shops selling and/or displaying motor vehicles, retail warehouse clubs, launderettes, taxi or vehicle hire businesses, amusement centres, petrol filling stations".

- 2.5.3 Swindon's New Communities are defined in the draft charging schedule as the communities of Wichelstowe, Commonhead, Tadpole Farm, Eastern Villages (i.e. NEV) and Kingsdown as specified in the emerging Local Plan.

## **2.6 CIL Development Viability Study (June 2012)**

- 2.6.1 GVA produced a CIL Development Viability Study to test the level of contributions that could be sought having regard to the NPPF and the CIL Regulations to support the preliminary draft charging schedule.
- 2.6.2 The Study recommended that a nil CIL rate should be set for Urban Extension Allocations as these would be dealt with through S106. The Study also recommends that the Council should remain



aware and flexible around the fact that the Strategic Sites are more likely to have viability issues than small development sites across the Borough, particularly bearing in mind the cost of works likely to be necessary to bring them forward.

## **2.7 CIL Development Viability Study: Additional Retail Testing (March 2013)**

- 2.7.1 Further evidence was prepared by GVA to carry out further work in respect of four retail scenarios to demonstrate the ability of different size and formats of retail stores to potentially contribute to a CIL Charge.
- 2.7.2 The additional Retail Testing does not consider a retail proposal within the Urban Extensions/Strategic Sites, so that the high cost of works required to bring them forward (as identified in their June 2012 report) could be accounted for in the viability testing.

## **2.8 Infrastructure Delivery Plan (December 2012)**

- 2.8.1 The Infrastructure Delivery Plan, at paragraph 6.8, notes that it would be more appropriate to use S106 obligations rather than the CIL for developments within the large strategic sites as allocated in the emerging Local Plan.

## **2.9 Swindon Borough Local Plan 2026 Proposed Modifications**

- 2.9.1 The emerging Swindon Borough Local Plan (SBLP) identifies at Policy SD2: The Sustainable Development Strategy, that development in the Borough will be delivered through a combination of realising development opportunities within Swindon's urban area and allocated strategic sites.
- 2.9.2 The allocated strategic sites include the proposed NEV, which is allocated for about 6,000 dwellings and 40 ha of employment land. The NEV is the largest strategic allocation in the Borough and will alone provide approximately 27% of the Borough's housing requirement and 33% of the Borough's employment land requirement to 2026. Together the New Communities account for approximately 74% and 60% of the Borough's housing and employment land requirements respectively.
- 2.9.3 Paragraph 3.14 notes that the development strategy aims to meet Swindon's development needs.
- 2.9.4 Policy NC3: New Eastern Villages identifies that land to the east of the A419 is allocated for mixed-use development. The form of the development shall comprise a series of new inter-connected distinct villages.





2.9.5 Policy NC3 identifies that the development shall provide, *inter alia*:

- *"an express bus network through the District Centre that connects the Eastern Villages to Swindon Town Centre as part of phase 1 of the development, which includes residential development north of the A420, the District Centre and the employment allocation;*
- *about 12,000 sq m (gross) of retail floorspace including a high quality District Centre with strong connectivity to the adjacent residential areas, comprising an anchor foodstore and complementary uses, and a network of Local Centres that offer retail provision of a scale that meets the daily shopping needs of the communities they serve, including the existing community at South Marston."*

2.9.6 Paragraph 5.48 notes that the area is the most sustainable location for a large scale mixed-use development.

2.9.7 Paragraph 5.64 deals specifically with the District Centre and recognises that the District Centre must be large enough and provide a wide enough range of activities to create a strong identity for east Swindon, which will anchor and provide a focus for new and existing communities.

2.9.8 Significantly, paragraph 5.89 states that *"the New Eastern Villages, Rowborough and South Marston are a key component of the development strategy for the Borough"*.

2.9.9 Paragraph 5.90 notes that development will progress broadly in a north to south direction supporting delivery of key infrastructure and achieving the critical mass around the District Centre and the express bus corridor.

2.9.10 For clarification, Figure 11 (New Eastern Villages Inset Diagram) identifies that the District Centre will be centred on the existing Sainsbury's store on Oxford Road.



## 3.0 Draft Charging Schedule

### 3.1 Does the Schedule Strike the Appropriate Balance?

- 3.1.1 It is essential that the proposed CIL rates strike an appropriate balance between raising money for CIL and delivering development identified in the emerging Local Plan.
- 3.1.2 This matter has been discussed between WYG and SBC during the course of the preparation of the Draft Charging Schedule, with specific reference to retail development at the existing Sainsbury's store within the New Eastern Villages.
- 3.1.3 A letter dated 30 May 2013 from SBC to WYG (attached at **Appendix A**) states that "*we have given serious consideration to reducing the CIL tariff to zero for new retail floorspace within the Eastern Villages Development Area, but believe this change raises a number of wider issues that are not likely to be acceptable*". No further details of these 'wider issues' are given. The letter also notes the scale of highways infrastructure needed to support the NEV and the importance of delivering this infrastructure.
- 3.1.4 A meeting was held between officers at SBC and WYG on 25 June 2013 (minutes of meeting attached at **Appendix B**) to discuss the representation submitted on behalf of Sainsbury's in respect of the Draft Charging Schedule. During the meeting concerns were raised by WYG that the viability evidence was too generic and did not consider site-specific costs. WYG suggested that SBC needed to demonstrate that the proposed CIL rates will not threaten the delivery of the Local Plan.
- 3.1.5 In a subsequent letter from SBC to WYG (dated 26 June 2013) (attached at **Appendix C**), the Council recognises that "*the land at the Sainsbury's store forms a key part of the first phase in delivering the Eastern Villages development*". SBC suggests in the letter that our concerns with the viability impact of CIL can be best addressed in their approach to S106 negotiations.
- 3.1.6 It is considered that the Council does not demonstrate how the viability evidence justifies the proposed CIL rates within the NEV for retail development in accordance with Regulation 14 (1). In particular, whether the proposed CIL rate for all retail proposals in Retail Zone 2, which includes the NEV New Community, would strike an appropriate balance.
- 3.1.7 There is no evidence to show that the viability of retail proposals in the NEV would not be unduly impacted by the proposed CIL charge. In fact, there is evidence to the contrary, in that our client has consistently held the position for a number of years through discussion with the Council that a



CIL charge levied on the retail floorspace in the NEV would put in jeopardy delivery of the District Centre.

- 3.1.8 Without viability evidence to support the proposed CIL rates for retail use within the NEV, the Council should not put this important part of the development plan at risk. Furthermore, the Council's own Infrastructure Delivery Plan recognises that CIL should not be used within the strategic allocations as S106 agreements provide a more suitable method to provide the required infrastructure.
- 3.1.9 In previous discussions with SBC, it has been acknowledged that redevelopment of the Sainsbury's store would be likely to entail significant costs to mitigate the specific effect of the redevelopment of the store site, potentially including upgrading of the Gablecross junction, the provision of a significantly improved access to part of the Eastern Villages Expansion area at the White Hart junction, contributions towards the Green Bridge and the extensive green infrastructure network.
- 3.1.10 A scenario which takes account of these extra ordinary costs within the NEV and one that involves a 'knock down and rebuild' of an existing store has not been tested as part of the viability evidence. Thus, the evidence is simply not available to support the proposed CIL charge for retail development in the NEV. A charge that is counter to the conclusions of the available evidence that recommends a zero charge within the New Communities.
- 3.1.11 The current proposed CIL rate for retail development in Zone 2 (i.e. outside the Town Centre) is £100 per sq m. To demonstrate the likely impact of CIL on a development proposal to redevelop the existing Sainsbury's store, in accordance with the emerging Local Plan, it is helpful to use a hypothetical case study as an example.
- 3.1.12 The existing Sainsbury's store is 7,447 sq m (gross). If, in line with the emerging Local Plan, Sainsbury's redevelops the store to provide a foodstore in the region of 11,279 sq m (gross), the proposal would create an additional 3,832 sq m (gross). Based on this increase in floorspace, this would generate a CIL charge of £383,200 for the store alone; more would be required for the other District Centre floorspace falling within the definition of 'retail' in the Draft Charging Schedule.
- 3.1.13 As highlighted in discussions with the Council, the District Centre, including the Sainsbury's redevelopment, would also be liable to make significant S106 contributions towards infrastructure specifically within the NEV. For example, the express bus link is proposed to travel through the new District Centre as part of the early phase of the NEV. The new major junction improvements at White Hart will also be required in advance of the District Centre coming on line. These



contributions, combined with a substantial CIL charge, will put at risk the viability of the redevelopment of the Sainsbury's site for the District Centre in line with the emerging Local Plan.

- 3.1.14 It has been acknowledged by the Council that the NEV is an important allocation within the Borough to meet housing and employment requirements over the Local Plan period. It is the single largest strategic allocation in the plan and will provide over a quarter of the housing requirement for the Borough. Moreover, within the allocation, it is essential that the District Centre and relevant infrastructure is brought forward to enable and support the development of the remaining part of the site allocation. It is only with the District Centre that a sustainable development can be delivered.
- 3.1.15 Should the CIL charge for retail development within the NEV remain it is likely to hinder the development strategy for Swindon being realised, contrary to the purposes and legislative requirements of bringing forward a CIL charge.



## 4.0 Conclusions and Proposed Changes to Draft Charging Schedule

### 4.1 Conclusion: Is the Schedule Justified by Appropriate Available Evidence?

- 4.1.1 Charging authorities have a statutory responsibility to ensure that there is adequate appropriate available evidence to inform their Draft Charging Schedule.
- 4.1.2 It is considered that the Council does not demonstrate how the viability evidence justifies the proposed CIL rates within the NEV for retail development in accordance with Regulation 14 (1).
- 4.1.3 There is no evidence to show that the viability of retail proposals in the NEV would not be unduly impacted by the proposed CIL charge. In fact, there is evidence to the contrary, in that our client has consistently held the position for a number of years through discussion with the Council that a CIL charge levied on the retail floorspace in the NEV would put in jeopardy delivery of the District Centre.

### 4.2 Conclusion: Does the Schedule Strike an Appropriate Balance?

- 4.2.1 The Regulations clearly state that a charging authority must strike an appropriate balance between the desirability of funding infrastructure from CIL and the potential effects of the imposition of CIL on the economic viability of development across its area.
- 4.2.2 It is considered that the proposed CIL charge for retail development in Zone 2, including the New Communities, will put at risk the viability of the redevelopment of the Sainsbury's store as part of the District Centre within the NEV. Hence, the CIL charge as currently proposed will not have a positive impact on development in the area and will hinder the development strategy as set out in the Local Plan coming forward.

### 4.3 Conclusion: S106 Method for Zone 1 Residential Areas

- 4.3.1 The Council's own evidence suggests that using S106 agreements is the better vehicle within Swindon's New Communities to secure the funding for necessary infrastructure. Such an approach is being adopted for residential and employment uses. However, for the reasons given above, we also consider that S106 agreements, and not CIL, also should be applicable to retail developments within Swindon's New Communities, including NEV.

### 4.4 Conclusion: Are the Rates for Other Uses Reasonable and Realistic



4.4.1 The rates for retail development within the New Communities (which falls within Retail Zone 2 i.e. the 'rest of the Borough' outside of the town centre) are not considered to be reasonable and realistic in relation to reaching an appropriate balance between helping to fund new infrastructure and the potential impacts on economic viability.

4.4.2 Retail Zone 2 includes the New Communities, and in particular the NEV. It is not considered that the proposed CIL rate takes into account specific contributions towards infrastructure within the NEV that will be required to bring forward development of the District Centre. And as such, it will put at risk the early delivery of this important and early element of the planned NEV.

## 4.5 Changes Sought to Draft Charging Schedule

4.5.1 To ensure that an appropriate balance is achieved the CIL draft charging schedule should read as follows:

- Residential Zone 1: Swindon's New Communities = £0 per sq m
- Residential Zone 2: Rest of Borough (excluding Swindon's New Communities) = £55 per sq m
- Retail Zone 1: Town Centre and Swindon's New Communities - £0 per sq m
- Retail Zone 2: Rest of Borough (excluding Town Centre and Swindon's New Communities) = £100 per sq m
- All other uses = £0 per sq m

4.5.2 In conclusion, retail development within the New Communities should be exempt from a CIL charge (as is this case for residential and employment development) in order that the proposed CIL charge has the appropriate balance between raising funds and incentivising development in line with the development plan strategy.



## Appendices




## Appendix A



**Service  
Delivery**

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Please ask for: Richard Bell  
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Our Ref: 23-13  
Your Ref:  
Date: 30 May 2013

Dear David

**SAINSBURY'S SUPERMARKET, STRATTON, SWINDON**

Thank you for your letter of 21<sup>st</sup> May, the timing of which was quite serendipitous given that we have now just agreed a reworded policy at officer level that reflects the discussion in our earlier meeting.

It is proposed that the policy could be reworded as follows;

**Amend from**

**Policy NC3 (current)**

...a maximum of 12,000m<sup>2</sup> (gross) of retail and complementary uses, of which no more than 20% will be comparison goods. This will comprise a maximum 10,000m<sup>2</sup> (gross) anchor food store as well as 1,000m<sup>2</sup> of other small scale retail and complementary uses within the District Centre. The remaining 1,000m<sup>2</sup> of retail floor space will be distributed across the three new Local Centres and within the expanded South Marston;...

**Centres**

5.63 The district centre must be large enough and provide a wide enough range of activities to create a strong identity for east Swindon, which will anchor and provide a focus for new and existing communities. However it must not undermine the regeneration or role of Swindon town centre or provide a counter-weight to the town centre.

5.64 To achieve this, retail units (excluding an anchor foodstore) will be limited in size, scale and massing, and the district centre should be designed in a permeable 'high street' layout. Retail floorspace in addition to the existing Sainsbury's store will also be limited to 4550m<sup>2</sup> convenience floorspace with 20% complementary comparison floorspace. The district centre should also provide civic public space to host outdoor events and activities, community facilities and high quality public realm, innovative and contemporary buildings to signal its role as the heart of east Swindon and gateway to the town.

5.65 In addition to the district centre, three local centres will be provided as focal points for the villages, serving smaller catchments. These will be small groups of shops that meet the day-

to-day shopping needs of the community and which are easily accessible easily by walking or cycling. There will also be provision for small-scale employment and the local centres will also contain multi-use facilities for worship, public sector use and leisure, community and cultural uses, especially in the evenings.

5.66 Each local centre should also provide a smaller scale public realm feature, such as a small square, widened street or managed green space to help create community identity, a sense of place and to signal its location as a community focal point. The design should maximise opportunities to collocate local centres with primary schools, to generate a scale or activity and to share facilities.

To,

#### **Policy NC3 (proposed)**

**...about 12,000m<sup>2</sup> (gross) of retail floorspace including a high quality District Centre with strong connectivity to the adjacent residential areas, comprising an anchor food store and complementary uses, and a network of Local Centres that offer retail provision of a scale that meets the daily shopping needs of the communities they serve, including the existing community at South Marston.**

#### **Centres**

5.63 The district centre must be large enough and provide a wide enough range of activities to create a strong identity for east Swindon, which will anchor and provide a focus for new and existing communities. However, it must not undermine the regeneration or role of Swindon town centre or provide a counter-weight to the town centre. Retail schemes will be expected to be supported by a Retail Impact Assessment, which demonstrates that the development is of a scale and type that would not damage the vitality or viability of the town centre.

5.64 Retail units (excluding any anchor foodstore) will be limited in size, and the district centre should be exemplary in design. The district centre should also provide civic public space to host outdoor events and activities, community facilities and high quality public realm, innovative and contemporary buildings to signal its role as the heart of east Swindon and gateway to the town.

5.65 In addition to the district centre, local centres will be provided as focal points for the villages, serving smaller catchments. These will be small groups of shops that meet the daily shopping needs of the community and which are easily accessible by walking or cycling. There will also be provision for small-scale employment and the local centres will also contain multi-use facilities for worship, public sector use and leisure, community and cultural uses, especially in the evenings.

5.66 Each local centre should also provide a smaller scale public realm feature, such as a small square, widened street or managed green space to help create community identity, a sense of place and to signal its location as a community focal point. The design should maximise opportunities to collocate local centres with primary schools, to generate a scale or activity and to share facilities.

5.67 The 12,000 m<sup>2</sup> (gross) of retail floorspace that would serve the Eastern Villages has been calculated on the basis that the existing floorspace at the Sainsburys Store on Oxford Road would be subsumed within any development.

I would be grateful for any feedback on this proposition, particularly with regard to whether it would satisfy your objection to the Local Plan.

Moving onto your point regarding CIL, we have given serious consideration to reducing the CIL tariff to zero for new retail floorspace within the Eastern Villages Development Area, but believe this change raises a number of wider issues that are not likely to be acceptable. However, I do understand your concerns. Given the scale of highways infrastructure needed to support the Eastern Villages, and the importance of delivering the infrastructure, we would expect that the provision contained in the recent Government consultation that would allow us to "accept payments in kind through provision of infrastructure either on-site or off-site for the whole or part of the levy payable on a development", to be relevant to your specific case.

I trust that this information is useful to you, and await any response you may have on it.

Yours sincerely



**Richard Bell**  
Head of Planning





## Appendix B

## Meeting Notes

**Meeting Date:** Tuesday 25<sup>th</sup> June 2013

**Time:** 10am-12:30pm

**Location:** Swindon Borough Council Offices WTW 2.1

**Purpose:** Discussion of WYG's (on behalf of Sainsbury's Supermarkets Ltd) Swindon CIL DCS representation - *SBC CIL DCS Rep 13*

### Attendees:

**Sarah Hawkins** - Director Planning & Design, WYG (SH)

**David Lowin** - Director, Planning and Environment, WYG (DL)

**Laurence Edwards** - Director, Retail Out of Town, Colliers International (LE)

**David Dewart** - Manager Planning Technical Services, SBC (DD)

**Sarah Screen** - S106/CIL Project Manager, SBC (SS)

**David Haney** - Assistant Planner S106/CIL Project Management, SBC (DH)

### NOTES

	Introductions including Laurence Edwards of Colliers who confirmed his client interest being related to the ownership of the site on which Sainsbury's Oxford Road is located and DC expansion for EV would thus take place.
	<b>Setting out WYG position and key concern</b>
DL	Initiated meeting by commenting that both Sainsbury's and LE were concerned to learn so late in the day of Local Plan 'LP' discussions linked to the Eastern Villages 'EV' that redevelopment of this site would trigger a CIL liability under the current CIL Draft Charging Schedule 'DCS' framework in addition to a substantial s106 package. WYG had understood from previous conversations with the Council that development within the EV would be CIL £0 rated, and infrastructure requirements managed by means of s106 alone. DL concerned that the Council's approach to charging retail in this location would compromise the viability of the redevelopment proposal, thus fettering the ability of Sainsbury's and the landowner to reach an agreement that would allow redevelopment to come forward to support the EV allocation. Questioned why the Council would want to take forward such an approach which could compromise the deliverability of the key infrastructure requirement of the EV its District Centre, and could lead to questioning the soundness of the LP at EiP. LE endorsed this view.
SH	SH commented that the Council had acknowledged in their supporting documents that S106 would be a better vehicle to deliver the infrastructure requirements of the EV and on that basis it is in the Council's best interest to support a £0 CIL for retail within the EV to ensure that the district centre contributes directly to the infrastructure required locally, and charging CIL would 'leak' income outside of the development not offering any guarantee that it would be re-invested locally. CIL would reduce the amount available for s106 related costs.
SS	Unable to comment on discussions at meetings in which she had not been present but the principle of retail within the 'new communities allocations being charged CIL was established at PDCS consultation stage, and

	although the approach to charging has changed had been drawn through to DCS stage, and understood the key issues on which WYG had made representation at PDCS stage had been addressed – approach to rate setting and value of the rate.
DL	DL made reference to a letter received from Richard Bell, Head of Planning –SBC, dated end of May 2013, relating to on-going discussions linked to the emerging Eastern Villages ‘EV’ policy which also contained a paragraph at the end that made reference to Government’s possible change to CIL Regulations that might allow for payment in kind by infrastructure instead of paying a proportion or all of the CIL levy.
SS	SS explained that should the Government amend the regulations to this effect it is unlikely that this could benefit the EV District Centre proposal as the ‘In kind’ delivery has to be infrastructure on the adopted Regulation 123 which would be unlikely to be the case in this instance.
DD	Commented he was aware of the communication, and perhaps the issue should focus more on the ability to reinvest CIL receipts locally. SH commented that that is a matter for the Council to decide. SS agreed with this view and explained that whilst EV items e.g. the SEN School were on the Reg. 123 list, transport items were not as the Council could not put itself in a position where it prejudiced its ability to negotiate s106 receipts from applications toward the site-specific impact items. SH and DL understood the principle of approach, as SS explained the s106 would be secured for a specific purpose, not in competition with other allocations like would be the case with CIL and could form the basis for accessing other funding sources to close the funding gap. DD also commented that perhaps as a consequence of the meeting the focus should be directed to s106 negotiations than CIL.
	<b>Approach to CIL rate setting and impact on proposal</b>
DL	DL explained that several options for redeveloping the site had been considered, however the only practical solution is demolition and redevelopment. This is likely to require construction of a temporary store to retain continuity of trading during construction. Provided overview of anticipated development proposal – Demolition of existing store (circa 7,500sq/m, gross floor space) and construction of new circa 11,000 sq/m (gross floor space) that would incorporate District Centre uses floor space in addition to the replacement expanded Sainsbury’s store. The planning application site area would need to incorporate the main access south off Gable cross roundabout all the way to the emerging development land to the south and possibly east of the access, as this is the means of access to that site.
	Noted that WYG have been have held previous discussions regarding the road network with SBC, the site freeholder and Hills.
	Commented that potential CIL liability could be around £1 million for proposed development if CIL charged for temporary store that would be needed prior to the demolition of the existing store.
SS	Explained that CIL is chargeable based on net gain in floorspace, meaning that if demolition takes place, subject to meeting the CIL Regulations vacant floor space criteria, the CIL chargeable floor space may reduce however, different scenario would be generated from different development circumstances, and also may be impacted should Government publish

	<p>revisions to the definition of 'vacant floor space' for this calculation.</p> <p>Explained that CIL liability for development based on the proposed increase in floor space may not be as high as £1 million and could be closer to £450,000.</p>
DL	Explained that the proposed development would go beyond the current Sainsbury's site and would take into account Hills' land and truck park
SH	Stated that a temporary store would have to be built for period between demolition of exiting store and completion of new store
SS	Confirmed that she would check the CIL regulations and seek legal advice internally of the impact of temporary development to establish whether a temporary store would be CIL liable in its own right, and agreed to undertake some example calculations of potential CIL Liability for WYG to consider the scenarios.
LE	Confirmed that temporary store could be trading for up to 12 months.
DL	Explained that by bringing forward such a key site for the EV, the development will be responsible for delivering infrastructure that enables employment land.
	As a result of this, it would be easier to £0 rate all development, regardless of type, in the New Communities.
	Raised concerns that sunk costs of retail were not viability tested by GVA as the Council had not asked them to consider this.
LE	Explained that his client – the freeholder of the site - is a passive investor and is not normally oriented towards development
	Explained that for his client the site is a prime property with a long lease, and therefore has an intrinsic value
DL	Explained that the redevelopment of the store to form a District Centre was a difficult investment decision given the particular circumstances and was only just viable. Adding a CIL charge to the cost could make the difference in terms of completion of delivery of the facility.
LE	Explained that as the proposal is based on demolition of the existing store, the value of the extra floorspace has to pay for the whole redevelopment.
	Stated that the freeholder cannot increase rents any further.
	Explained that the value of the proposal is derived from the incremental extra floorspace. With a CIL charge, it would be difficult to make the figures work as the extension will have to pay for all the costs associated with the redevelopment of the existing floor space.
	Explained that the freeholder is likely to be prepared to sit on the site and continue to receive income from current Sainsbury's store if redevelopment of the site becomes complicated and the viability of such becomes uncertain.
DL	Expressed concerns over implications for district centre and provision of a new truck stop if development of site does not go ahead and Sainsbury's remain there until the current lease expires. He noted this was a major element of the Local Plan strategy.
	Expressed concerns that GVA did not test scenario where the supermarket operator was not the freeholder
SH	Observed that the Council's approach was that it was better to use s106 than CIL to deliver on-site infrastructure requirements in the New Communities, as noted in the Infrastructure Delivery Plan (IDP), December

	<p>2012 (para 6.8). This was as relevant to retail/employment development as residential development. This also is reflected in the Regulation 123 List, which does not include infrastructure requirements for the New Communities.</p> <p>Asked if retail development to serve the New Communities is considered to be less important than residential development as it also has high infrastructure costs, which in turn will facilitate employment land being released?</p>
SS	<p>Explained that CIL rate setting and viability is to be 'high level' and should not test site-specific proposals, as it would suggest this situation actually is, thus considers what is appropriate across the Borough</p> <p>Explained that most of Swindon's planned residential growth will come in the form of strategic urban extensions and this influenced how and what SBC asked GVA to test from a residential perspective and how the £0 rate for these locations for residential was derived due to the known s106 costs arising from these requirements. GVA did not test a 'District Centre' example as they were not asked to do so by SBC.</p> <p>Explained that the scenarios tested were derived from the batching of SHLAA sites into generic sizes. Explained that testing an 8,000 dwelling scheme would be inappropriate as it was not anticipated that the EV would come forward as a single outline application. The 1,000 and 2,000 dwelling scenarios were based on anticipated land parcels in the EV relevant to the size of other strategic 'new communities' sites.</p>
SS	<p>Explained that in the PDCS consultation SBC had been criticised for using a dwelling threshold approach to define strategic sites. SBC officers were uncertain about the scale of the individual applications that would come in for the EV. South Marston Parish Council raised concerns about this in their representation and requested certainty that needs from the EV development could be met by S106, which would not have been possible if an application came in for less than 850 homes. One consideration in changing approach to residential rate setting.</p> <p>Explained that the switch from a dwelling threshold approach to an approach based on geographical zoning was informed by responses to the PDCS consultation and changes to the CIL Guidance etc.</p> <p>Explained that Local Plan retail policies advocate a Town Centre first approach but acknowledged that the needs of the New Communities are also important, however the scale of retail in the new communities is modest compared with that of the town centre.</p> <p>Gave an overview of the PDCS approach where different retail types would have charged different amounts</p> <p>Explained that SBC wished to simplify the Charging Schedule and that a geographical zoning approach could be justified using the viability evidence. Stated that viability evidence demonstrated that retail could absorb CIL and that bringing the charge down for supermarkets from £200 to £100 per sq/m makes it more palatable, where charging applied, and responded to WYG Representations.</p>
SH	<p>Raised concerns that viability testing is too generic and does not consider site-specific costs. She explained that even GVA advises that where retail development acts as an anchor for other developments, its ability to pay may be less than the findings of the analysis suggests.</p>



SS	Explained that whilst there are site-specific issues relating to this development, that these cannot be taken into account when viability testing for the whole Borough
SH	Stated that the onus is on SBC to demonstrate that the proposed CIL rates will not threaten the delivery of the Local Plan and pointed out that the EV and its district centre are important developments for the delivery of the Local Plan,
SS	Disagreed. SS indicated that the Council considers it has met its requirements in respect of viability testing and has set an appropriate rate. SBC would have had this conversation in the event it was made aware of the concern through the representations. In the event of a representation disputing the Council's approach there is an expectation that the representation would be supported by the relevant evidence to support the objection. The Council has not received such, and whilst the s106 package remains unknown it would be difficult to demonstrate that the CIL charge is unacceptable. Explained that SBC officers believe that they have evidence to demonstrate that proposed CIL rates will not threaten the delivery of the Local Plan
	Informed attendees that SBC have received one request to be heard at Examination
	<b>Discretionary Relief</b>
SH/ DL	Asked about SBC's position with regards to discretionary relief for exceptional circumstances.
SS	Explained that SBC is not choosing to switch on exceptional circumstances relief at this point
DL	Explained that the freeholder/Sainsbury's is not obliged to develop the site and if they decide against it, the Local Plan could not be delivered. WYG will advise against this as this negative approach goes against the hard and amiable work that has been done so far, i.e. discussions with other developers to create a functioning highway network
	Expressed surprise at receiving letter from Richard Bell containing a paragraph about the implementation of CIL. (this has been explained above)
SS	Stated that she was not aware of the letter
DL	Stated that the proposed CIL rate is putting at risk the aims of producing a New Community as outlined in the Local Plan.
	Raised possibility of submitting a planning application for site before Local Plan Inquiry but stated that when costs are considered, it would not work
SS	Explained that regulations around discretionary relief are complex and are intertwined with state aid related issues
	Explained that exceptional circumstances relief has complex restrictions linked to criteria that most developments would not comply with it. The decision was made not to operate exceptional circumstances relief because the extent of these complexities means there could be a risk of SBC being challenged
	Explained that Central Government has recently consulted on proposed amendments to the regulations, including new exceptional circumstances relief criteria. Any subsequent amendments to the regulations will determine whether or not SBC considers switching on exceptional circumstances relief
SH	Put forward that SBC should switch on exceptional circumstances relief

	Stated that CIL has to be state aid compliant in principle and argued that as soon as SBC differentiated between uses, as in PDCS, or locations as per the DCS, then they are at risk of state aid challenges.
SS	SS agreed, but confirmed that the basis for differentiation is informed by the viability analysis. Questioned if Sainsbury's/WYG believe that CIL based on type of development is unfair.
SH	Disagreed and explained that it is not the case that it is perceived as being unfair, but that it is possible to differentiate retail into different or location types providing the evidence supports that approach. In many cases the evidence is deficient.
SS	Explained that once CIL is adopted, exceptional circumstances relief must be switched on before an application is received and that the application must be considered with the potential CIL liability in place. This would not be possible if a planning application was submitted before the Council adopted CIL, and thus would become irrelevant.
SH	Put forward once again that SBC should switch on exceptional circumstances relief and argued that currently, SBC are not even allowing the possibility of operating it.
SS	Explained that as the regulations currently permit operating an exceptional circumstances relief policy, it would not be favourable to switch it on
	<b>Extra Testing</b>
SH	Asked if SBC would be prepared to ask GVA why it had not tested a 'knock down and build' testing scenario, on the basis that sunk costs are known to be excluded from the Viability Testing. SS explained because they were not asked to. SH asked if SBC would consider asking GVA to undertake viability testing of this scenario.
DD	Confirmed that SBC could consider this
DL	Stated that WYG do not want to appear in front of the CIL Examiner and explained that WYG have spent 3-4 years speaking to SBC and Forward Swindon amiably. Confirmed that WYG are supportive of the importance of the New Communities to the delivery of the Local Plan and have 'held off' for this reason.
	Confirmed that SSL is now in a position to move forward with the freeholder.
DD	Confirmed that EV due to its scale is the key New Community site to support the delivery of the Local Plan and that it will be anchored by a District Centre
	Asked when change to regulations will permit the ring fencing of CIL receipts?
SS	Confirmed that we are not expecting such a change to the regulations.
SH	Explained that in any event, the infrastructure for the EV is not included on the Regulation 123 List.
SS	Confirmed that CIL receipts can only be spent on infrastructure included on Regulation 123 List and that this was at the Council's discretion. ADDITIONAL NOTE: CIL cannot be spent on infrastructure that the Council proposes to secure s106 contributions for to avoid double charging. The Regulation 123 list therefore informs the future investment of the main portion of CIL receipts.
	<b>Discretionary Relief for exceptional circumstances</b>
DL	Explained that letter from Richard Bell hinted that there could be changes

	made to discretionary relief.
SS	Confirmed that any changes are linked to Government consultation and that any amendments to regulations may appear before summer recess but ultimately up to Government when they chose to publish.
	<b>S106 instead of CIL</b>
SH	Put forward that it would be better to use S106 as this would meet regulation 122 tests, as the Council itself acknowledge and were undertaking for the housing within the EV.
DD	Put forward that carrying out such a test would be a defensive mechanism Asked if it would be worth discussing S106. Asked if WYG's expectations for S106 payments relating to highway would be higher than SBC's figure?
DL	Confirmed that WYG have not proceeded as far as calculating such costs, but estimated that it could be a 6 or 7 figure sum. Reference was made to the Council's own estimates within the IDP which had some very high numbers included.
SS	Explained that CIL charge will become a mandatory part of development and that S106 negotiations will therefore need to take this into account when prioritising infrastructure requirements
SH	Raised concerns that CIL receipts will not be directed towards infrastructure for the New Communities.
SS	Confirmed that this is correct and that the Regulation 123 List does not include required highway works, e.g. A420, A419. Such items are not included because the projected scale of total CIL receipts derived from development across the Borough will be very small and this limited income will only go so far in funding such key infrastructure items. Important not to prejudice SBC ability to negotiate s106 contributions for this site-specific need.
	<b>Supermarkets and Leasehold arrangements</b>
DL	Commented that it is not unique for supermarkets to be leasehold and argued that it should have been tested. DD noted that the new Morrisons store in Swindon was leasehold.
LE	Explained that in recent years the 'big 4' have preferred leaseholder arrangements.
DL	Noted that as an organisation, GVA should have known that leaseholder arrangements are common and put forward that it should have been tested, even if this had not been requested by SBC. Explained that the previous EV masterplan could not work economically for his client –in terms of relocation of the District Centre off the existing Sainsbury's site.
	<b>GVA Testing Scenario 14</b>
SH	Asked if SBC could clarify with GVA the figures in Scenario 14 of the viability testing as a 5,000sqm store seems too large for a 2.02ha site. Explained that in an entirely separate scheme that WYG are progressing that includes a supermarket of 3,000sqm and petrol filling station that occupy a 2.8ha site, they struggle to see how 5,000sqm would fit on such a small site. Raised concerns that the GVA viability testing makes too many assumptions and excludes sunk costs, BREEAM requirements and does not test a district centre.

SS	Confirmed that she will clarify the figures used in Scenario 14 with GVA
	<b>Potential CIL Calculations</b>
DD	Recommended that SBC provide some reassurance with respect to confirmation of potential CIL liability scenarios.
	Suggested that SBC revisit items on the Regulation 123 List.
	Suggested that SBC will consider offering discretionary relief.
	Asked if WYG's expectations are higher than SBC's with regards to potential S106 costs.
DL	Explained that LE is concerned that non-quantified costs will affect development viability to the point where the leaseholder chooses not to proceed with the redevelopment of the site.
	<b>IDP Issues</b>
SH	Asked what made up the 'District Centre' figure in the IDP?
SS	Explained that she understood the 'District Centre' figure to be made up of a combination of infrastructure items that would typically be part of a district centre, such as a library, health centre, etc. but predominantly the construction cost of it, to the s106 requirements arising from it. Integral to its delivery would be public realm. Confirmed that she will seek to clarify as to the exact infrastructure items that make up this figure.
SS	<b>EV Infrastructure and Regulation 123 List</b>
	Explained that SBC considers the EV highways infrastructure to be site specific and thus s106, so it has not been included on the Regulation 123 List. S106 contributions would allow for the ability to apply for grants and to assist in delivery where a funding gap exists. Explained that no guarantees can be made about the allocation of CIL receipts and that this may the ability to bid for external funding at risk.
	Confirmed that discretionary relief is not off SBC's agenda
	Confirmed that SBC will seek reassurance that temporary CIL facilities will be CIL exempt
	<b>Viability of the development due to CIL</b>
DL	Put forward a comment that it would not be good to tell Local Plan Inspector that the District Centre, and therefore development of the EVs is not viable because of CIL.
SS	Explained that no one knows for definite if CIL rates will compromise viability.
DL	Explained that it depends on the S106 package.
SS	Explained that it would be impossible to viability test every circumstance and that there are no expectations for SBC to do this.
DD	Explained that SBC believe that the Retail CIL charge is acceptable for development across the Borough.
DD	Put forward that the focus should be on the S106 package.
DL	Argued that retail should be treated the same as residential in the New Communities.
DD	Asked how WYG could be certain that CIL would compromise viability when the value of the S106 package is still unknown?
DL	Explained that WYG require a guarantee that the CIL liability will be taken into account in negotiating the final value of the S106 package.
SH	Argued that S106 would be more suitable for delivering the District Centre

	as site-specific investment could be guaranteed, as the Council has already acknowledged in their supporting documents and the reason why the New Communities Infrastructure is not on the 123 List.
SS	Explained that the purpose of CIL is to spread infrastructure costs across all forms of development in the Borough. Explained that CIL is a fine balance between receipts and rates.
DL	Explained that the development of the site is required for phase 1 of the EV.
DD	Confirmed that SBC can give WYG reassurances with regards to deducting the final CIL receipt amount from the S106 package.
SS	Explained that the S106 package for residential is high as it must contribute to infrastructure specific to that use (e.g. school places, open space, health centres, etc.) in addition to transport requirements, and put forward that retail development does not have to contribute to such infrastructure in its emerging s106 package.
SH	Council asked to confirm that retail development will not be asked to contribute to such matters. But noted that the IDP still suggests a lot of other elements that the district centre will need to provide/contribute.
SH	Asked why SBC have not tested a district centre and stated that residential will not make contributions towards the EV District Centre.
DL	Explained that without a planning application to develop the existing Sainsbury's site, there would be no way of accessing the employment land. Explained that Highways Agency would not permit any other access road onto the site.
LE	Asked why his client should go to the trouble of demolishing and building a new store with so many uncertainties.
SS	Asked what WYG are asking SBC to test?
DL	Confirmed that WYG want SBC to test a leasehold store as a knock down and re-build as part of a district centre as envisaged in the Local Plan.
DD	Observed that there is currently a tension between the Local Plan and CIL.
DD	Explained that SBC are trying to engineer a system that will not compromise CIL and distribute the infrastructure responsibilities across separate applications.
DL	<b>Early submission of an application</b> Explained that the cost of a planning application to develop the site would be at least £150,000 plus statutory fee. Explained that it is likely that it would be LE's client who would be responsible for paying CIL and fee submission, not Sainsbury's. Explained that this application could be a hybrid application and include Hills' land. Explained that application would include the demolition of an existing store, erection of a temporary store and construction of a new district centre including new food-store and access roads.
SH	Asked if SBC would be confident that, if a district centre as envisaged at the EV (i.e. leasehold/knock down and rebuild) were viability tested, it would still trip out a CIL rate. SS commented that the Council did not consider it was necessary under the revised CIL Regulations Guidance. SH disagreed.
SS	SH commented that GVA have tested district centres for other authorities. SS replied that this would have been because the Council had instructed them to do so if they had. GVA did not test District Centre as this did not form part of their instructions. ADDITIONAL NOTE: The emerging LP policy

	requires the delivery of a District Centre it does not refer explicitly to the mechanism as to how that will be delivered.
DL	Explained that there is too much uncertainty around the impact of CIL to lodge an application before the Local Plan EiP
	<b>SBC and CIL - Timescales</b>
SS	Explained that because of the CIL deadline, SBC could not wait for an adopted Local Plan before starting to implement CIL.
DL	Explained that SBC have addressed the concerns raised in the representation made by WYG to the PDCS consultation – that proposed rates were too high and that retail should not be separated into different types. Explained that WYG did not raise concerns relating to eligibility to be charged CIL in that round of consultation.
DL	Explained that S106 negotiations would be a question of trust between SBC and WYG with regards to CIL rates influencing S106 negotiations, especially given that the initial investment in fees is so high, and ideally the landowner and Sainsbury's would like some certainty that the impact of potential CIL liability would be considered in s106 negotiations.
SS	Confirmed that this would become an automatic requirement, so there should be no reason why this could not be either included in the meeting notes or provided under cover of a separate letter from the Head of Planning. SS caveated however, that where an infrastructure need was required to be able to grant planning permission e.g. by Grampian condition that this would continue to be a requirement as the application could not be supported without it. SS also commented that she could understand why WYG on behalf of their client consider it not to be an ideal situation, but that is not a reason for making a change.
SH	Asked if this would be ideal for SBC either and argued that such an approach could reduce the quality of the District Centre
SS	Commented that past s106 negotiations that may have derived a s106 contribution for items such as Town Centre public realm; fire stations sites all fall away as a consequence of the adoption of CIL. A key infrastructure item that SS could think of that may arise from such development would be the public realm on site however this is integral to the development, might be likely to be secured by condition as the development is not capable of being built without it being integrated into the design. Beyond this based on a retail scheme alone, the key items would be transport related. Explained that there is currently nothing on the Draft CIL Reg. 123 list that would be likely to generate investment back into the retail DC element of this site.
DL	Asked if SBC officers could speak to Richard Bell to let him know of SSL's concerns. DD comment that the key issues arising from the meeting would be reported back to Richard Bell, Head of Planning at SBC.
SS	Asked who would assume liability to pay CIL?
DL	This was not yet decided and would depend on the details of the contract, however, it was likely that that the freeholder would assume liability for any CIL that may arise.
	Explained that the freeholder is an investor, not a developer and would therefore only look at the figures. Explained that CIL would be seen as an

	extra risk that could deter freeholder from committing to development.
	<b>Right to be Heard and participation in CIL EiP Hearing</b>
DL	WYG may choose to participate in the CIL Examination Hearing.
SS	The representation did not explicitly provide confirmation in writing that WYG wanted to be heard at the Examination (in accordance with the SBC Representations Procedure as published to accord with the CIL Regulations). SS could not offer any guarantee that the CIL Examiner will agree to such a request, but could confirm that SBC has received one such request and thus an Examination in public by means of a Hearing is likely to take place.
DL	Agree to minute WYG request to participate in Hearing at this stage as part of the meeting notes.
SS	Agreed as meeting notes will be submitted to the Examiner.

## ACTIONS

- **SBC** - Review CIL Regulations 201 (as amended) regarding temporary uses – provide interpretation as to whether temporary uses are CIL Exempt/fall outside scope of CIL
- **SBC** – Contact GVA Clarify scenario 14 testing position
- **SBC** - Seek to clarify what is contained in the EV District Centre definition in the IDP Dec 2012
- **SBC** – Confirm position with respect to additional retail testing prior to examination
- **SBC** – Circulate letter of comfort with respect to impact of CIL on S106 negotiations.
- **SBC** – To feedback concerns to Richard Bell, Head of Planning at SBC to let him know of WYG's concerns

Output of actions to be circulated separate to the meeting notes.



## Appendix C





**Service  
Delivery**

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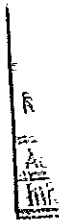
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David Lowin  
Director  
WYG  
Ropemaker Court,  
12 Lower Park Row,  
Bristol,  
BS1 5BN

Please ask for: Richard Bell  
Direct Dial No: 01793 466706  
Email: rbell@swindon.gov.uk

Date: 26<sup>th</sup> June 2013

Dear David



**Proposed CIL Charge on Retail at the Eastern Villages**

I have been briefed on the discussions that took place in your meeting with David Dewart and Sarah Screen on Tuesday.

I understand that you are concerned about the potential impact of the emerging Swindon CIL on the viability of your client's proposals to deliver a new Sainsbury's store and accompanying District Centre retail uses within the Eastern Villages.

The land at the Sainsbury's store forms a key part of the first phase in delivering the Eastern Villages development. Please be assured that we will do all we can to ensure that this first phase is viable. We are already proposing to alter our Local Plan Eastern Villages Policy to ensure that the policy supports your client's proposals. We will also be adopting a pragmatic approach to negotiating a developer contributions package, which will be reasonable and proportionate to your scheme.

I understand that you have concerns with the viability testing work that has informed the Swindon CIL rates. Whilst I would note that our position remains that the Swindon CIL is reasonable and robust, I would be grateful if you could continue with your discussions with Sarah Screen with a view to finding a mutually acceptable way forward.

I understand that Sarah has committed to undertaking some initial calculations so that your client can gain a better understanding of the potential CIL liability that may arise should the Council's CIL Charging Schedule be adopted in its current form. Clarification will also be provided with respect to the applicability of CIL to temporary constructions.

However, I believe that your concerns with the viability impact of CIL can be best addressed in our approach to S106 negotiations. To provide Sainsbury's, and the freeholder of the Sainsbury's site, with greater certainty that the redevelopment of the Sainsbury's site will be viable, I would propose that we begin negotiations on the S106 package as soon as possible. Any CIL charge would need to be fully factored into viability considerations around the S106 package.

I hope you find this a suitable way forward. Please let me know when your client is in a position to commence S106 discussions so I can arrange the first meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Bell', with a stylized, cursive script.

Richard Bell  
Head of Planning