

**CIL Consultation Event**  
**Community Infrastructure Levy**  
**09<sup>th</sup> October 2015**



Walsall Council

# Welcome and Introduction

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**Mike Smith**  
**Planning Policy Manager**  
**Walsall Council**



Walsall Council

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# Welcome



1. Thank you for attending today's CIL consultation event.
2. Housekeeping (Fire Evacuation etc).
3. Structure of event.



# Agenda



- |   |                      |
|---|----------------------|
| <b>1. Registration / Reception</b>                | <b>9.50 – 10.10</b>  |
| <b>2. Welcome and Introduction</b>                | <b>10.10 – 10.20</b> |
| <b>3. Consultation Overview</b>                   | <b>10.20 – 10.30</b> |
| <b>4. CIL Viability Study</b>                     | <b>10.30 – 10.50</b> |
| <b>5. Preliminary Draft CIL Charging Schedule</b> | <b>10.50 – 11.10</b> |

## **REFRESHMENT BREAK**

- |  |                      |
|--|----------------------|
| <b>6. Draft Infrastructure Delivery Plan</b> | <b>11.20 – 11.40</b> |
| <b>7. Question and Answer session</b>        | <b>11.40 – 12.00</b> |
| <b>8. Close</b>                              | <b>12.00</b>         |



# Introduction



1. Walsall has an adopted Core Strategy (2011) which is a strategy for regeneration in the borough up to 2026.
2. The Core Strategy provides ambitious targets to deliver commercial, residential and other development to provide homes, jobs and economic growth.



# Introduction



- 3.** We recognise the challenges facing Walsall and the need to use a wide range of delivery mechanisms to achieve the Core Strategy aspirations.
- 4.** The Community Infrastructure Levy (CIL) is one of the delivery mechanisms that will help to provide the borough's infrastructure and support development.



# Introduction



5. Our focus is on delivering regeneration through production of a Site Allocation Document (SAD), Town Centre Area Action Plan (AAP) and CIL Charging Schedule.
6. Building on our existing strong relationships with landowners and developers we need to continue to work together to aid delivery.



# Consultation

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**Mike Brereton**  
**Planning, Monitoring and Delivery**  
**Officer, Walsall Council**





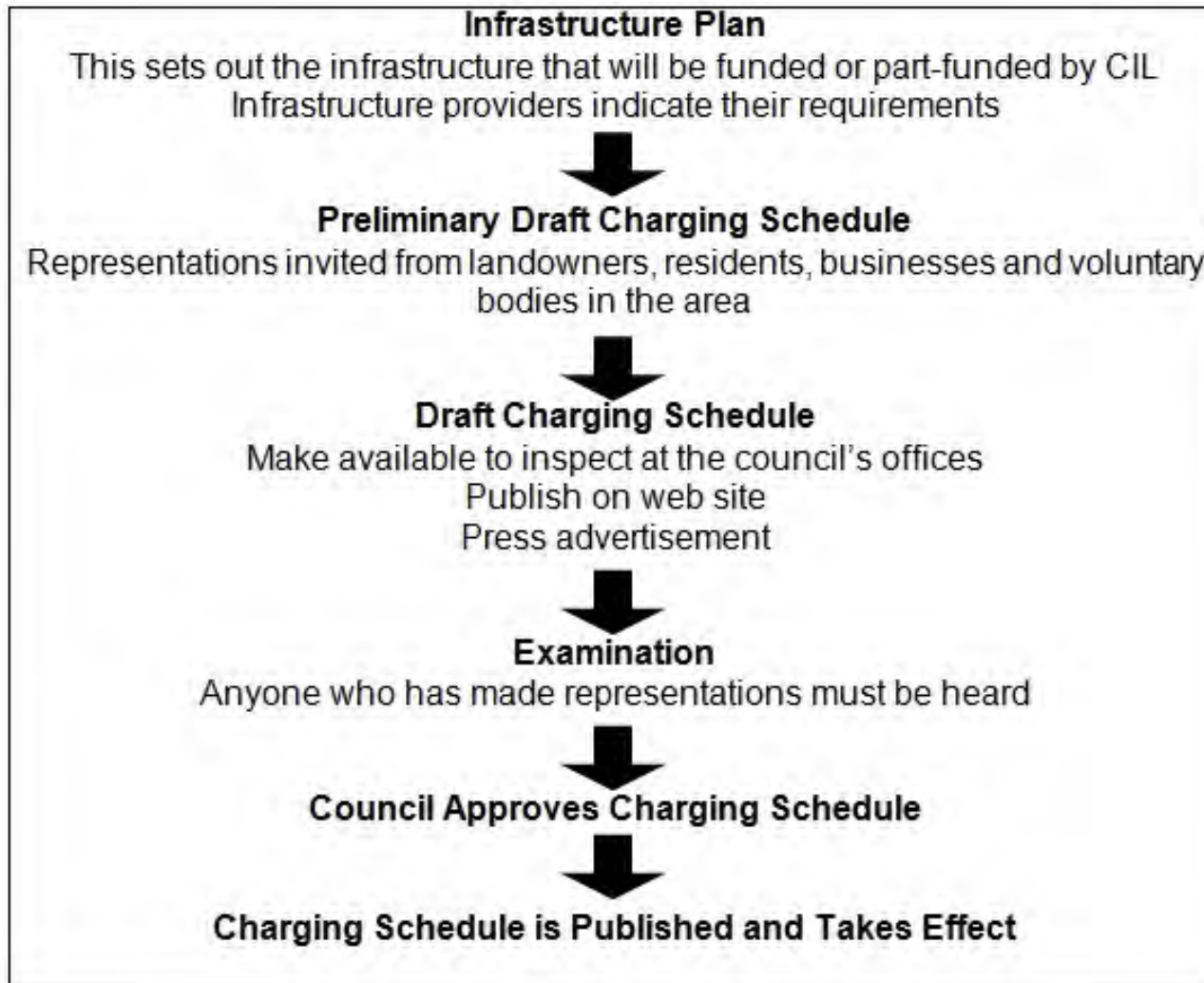
# What is CIL?



- A clear and transparent mechanism to obtain funds from development to re-invest into infrastructure needed to support development such as transport, roads, open space, health and education;
- Largely replaces use of Section 106 (now significantly scaled back and restriction on pooling); and
- Unlikely to meet the entire funding gap for infrastructure but seen as essential to continue to provide priority infrastructure for the community.



# CIL Process



# Programme



<b>Issues and Options</b>	
Issues and Options Reports - PUBLIC CONSULTATION	22 <sup>nd</sup> April to 3 <sup>rd</sup> June 2013
<b>Preferred Options &amp; Preliminary Draft CIL Charging Schedule</b>	
Cabinet	June / July 2015
Preferred Options Reports & Preliminary Draft CIL Charging Schedule - PUBLIC CONSULTATION	September to November 2015
<b>Towards Publication, Examination &amp; Adoption</b>	
<u>Council</u>	January 2016
Publication (final draft plan) & Draft CIL Charging Schedule - PUBLIC CONSULTATION	February 2016
Submission to Secretary of State	July 2016
Examination (by Planning Inspector)	Autumn 2016
Adoption (by Council)	End of 2016



# Purpose of Consultation



- 1. To obtain your views on the viability evidence;**
- 2. To obtain your views on the proposed CIL rates, charging zones and development types liable for CIL; and**
- 3. To obtain your views on the types of infrastructure likely to benefit from CIL funds.**



# Purpose of Consultation

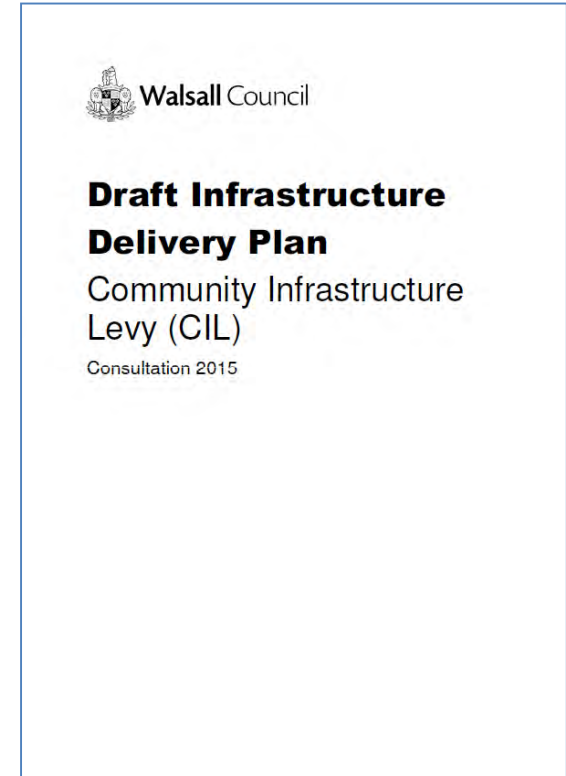
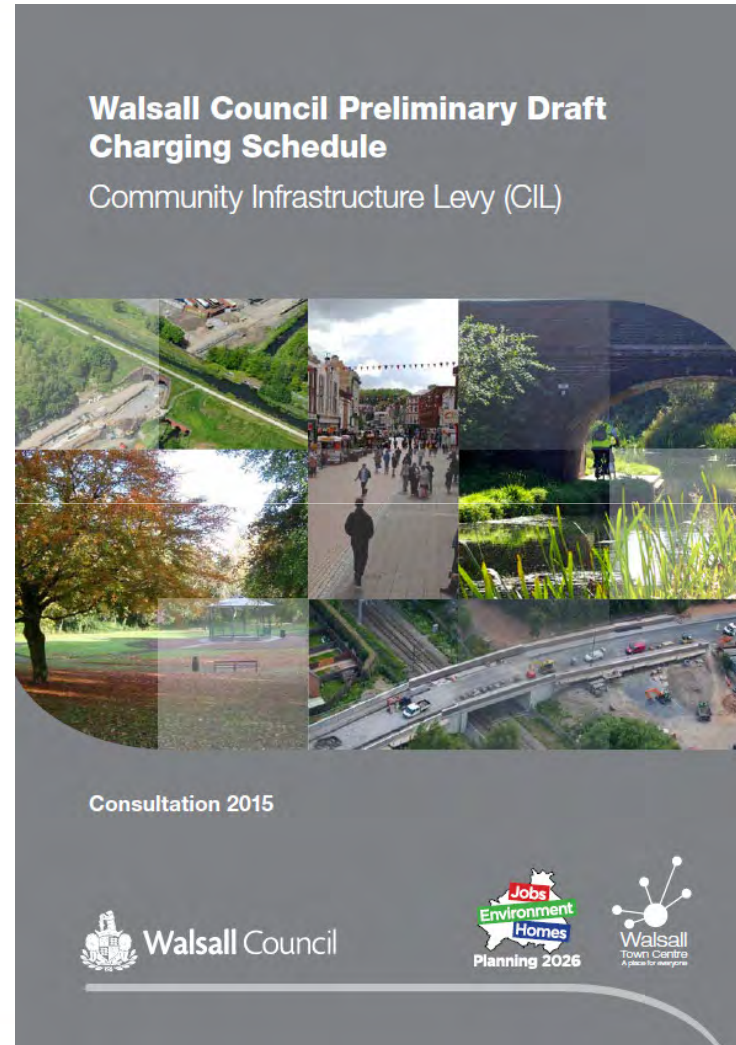
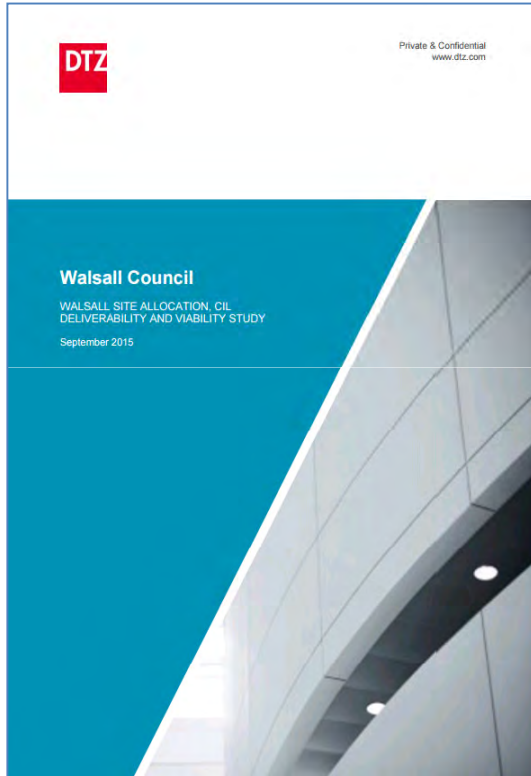


- 1. Consultation commenced 7<sup>th</sup> September and ends on 2<sup>nd</sup> November 2015; and**
- 2. Response forms are provided as a tear-out section at the rear of the Preliminary Draft CIL Charging Schedule and available online, along with the consultation documents, at:**

**[www.walsall.gov.uk/community\\_infrastructure\\_levy](http://www.walsall.gov.uk/community_infrastructure_levy)**



# Consultation Documents



Walsall Council

[www.walsall.gov.uk](http://www.walsall.gov.uk)

# CIL Viability Study



## Study commissioned to:

- 1. Assess development viability across the whole borough (in tandem with SAD and AAP for consistency);**
- 2. Identify different value areas and propose charging zones; and**
- 3. Identify CIL headroom for commercial, residential and industrial development and propose CIL rates.**



# CIL Viability Study



## Development viability

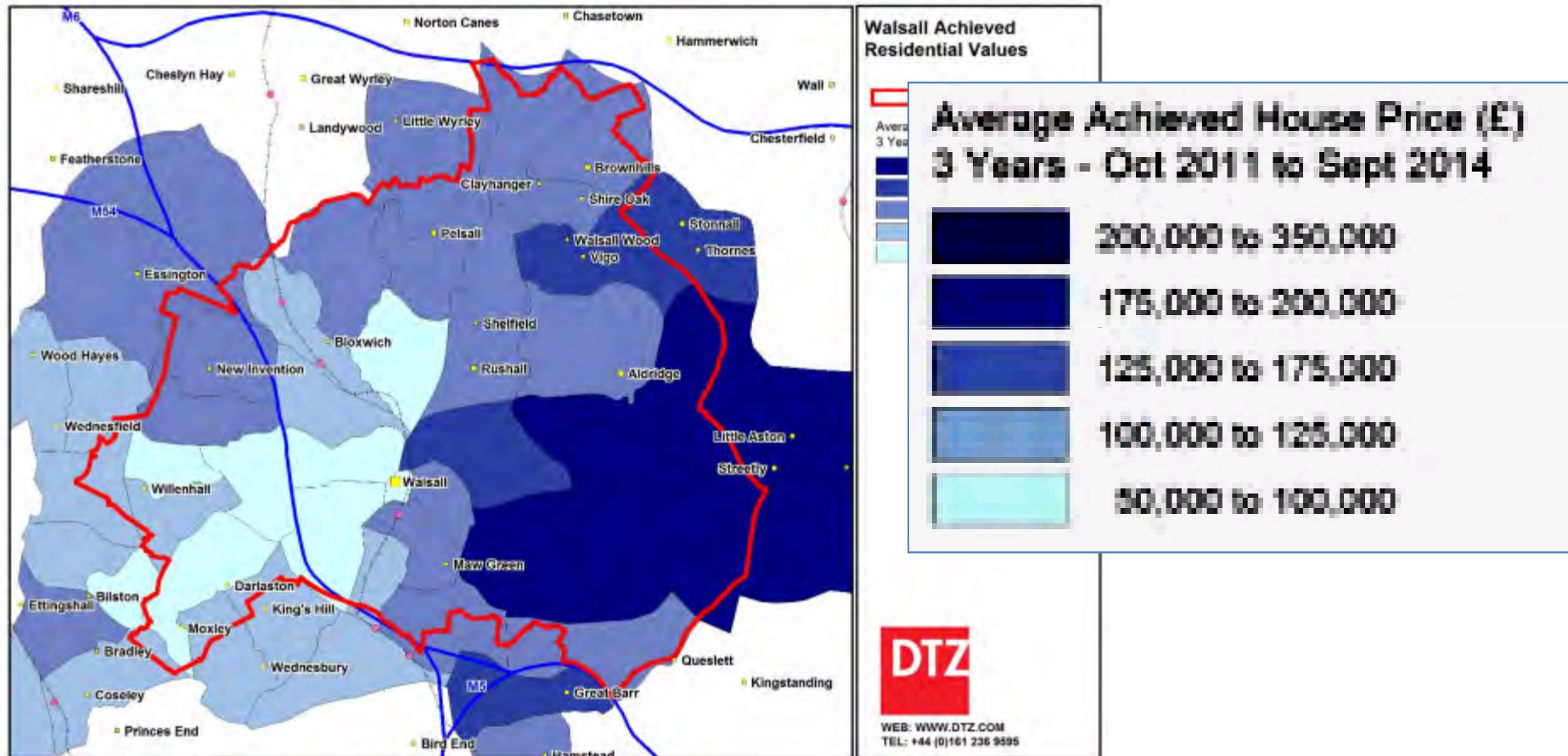
- 1. The study takes account of things like continued S106 and other policy requirements, land value, build and other costs, reclamation and other ‘site abnormals’ costs, developer return.**
- 2. The study concluded that there is headroom to charge CIL on some residential development in some areas of Walsall and for non-food retail warehousing and supermarkets but not for other types of development.**





# CIL Viability Study

## Residential value areas



# CIL Viability Study



**Case law indicates that rates should not be set at the margins of viability and suggests a buffer of 25-30% is suitable.**

**The study recommended additional benchmarks to use when setting rates. CIL rates should be within:**

- **5% of total development costs;**
- **5% of Gross Development Value; and**
- **10-15% of residual land value.**



# CIL Viability Study

Table 1: Recommended CIL rates

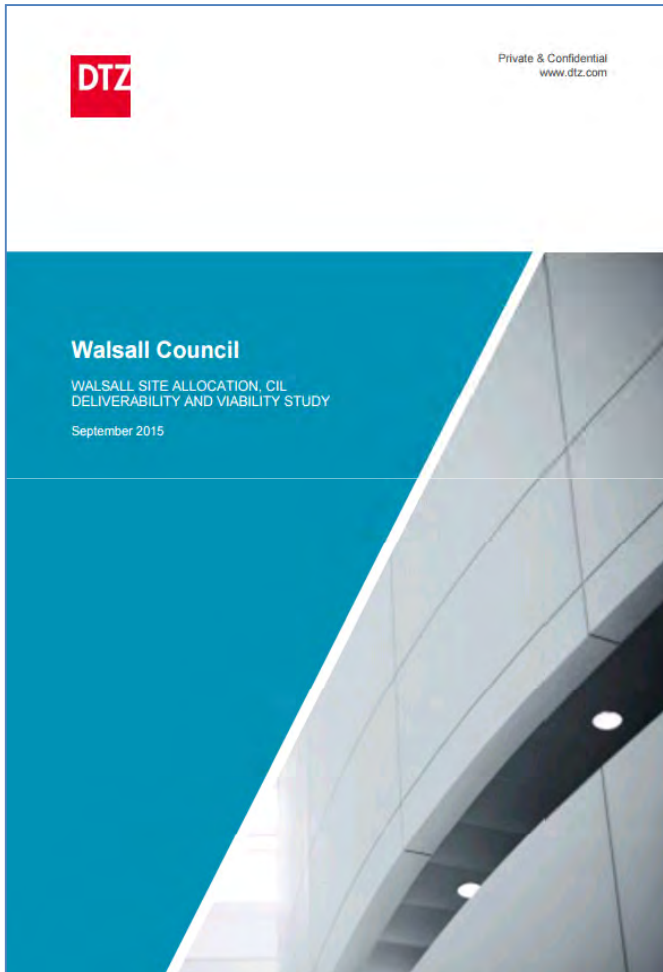
	Residential (£ per sq. m)			Commercial (£ per sq. m)
	Below 15 units (Scheme 8)	Above 15 units & below 40 units (Schemes 1 and 3)	Above 40 units (Schemes 4-7)	
<b>Housing developments</b>				
Value Area 1	£100	£100	£100	
Value Area 2	£75	£50	£75	
Value Area 3	£50	£25	£50	
Value Area 4	£0	£0	£0	
Value Area 5	£0	£0	£0	
<b>Retail warehousing</b>				
Town Centre				£100
Edge of Town Centre				£100
District Centre				£75
Edge of District Centre				£75
Out of Centre				£100
<b>Superstore (over 2000 sq. m)</b>				
Town Centre				£100
Edge of Town Centre				£100
District Centre				£100
Edge of District Centre				£100
Out of Centre				£100
<b>All other uses</b>		0	0	0

- Affordable Housing Threshold = 15 dwellings and rates proposed taking this into account.

- Larger residential development over 40 dwellings has different viability and rates proposed on that basis.

- Scheme 2 (high density flatted scheme) removed from average results as not viable across all value areas and skewed results.

# CIL Viability Study



**Study is available online at:**

**[www.walsall.gov.uk/local\\_plans/evidence](http://www.walsall.gov.uk/local_plans/evidence)**



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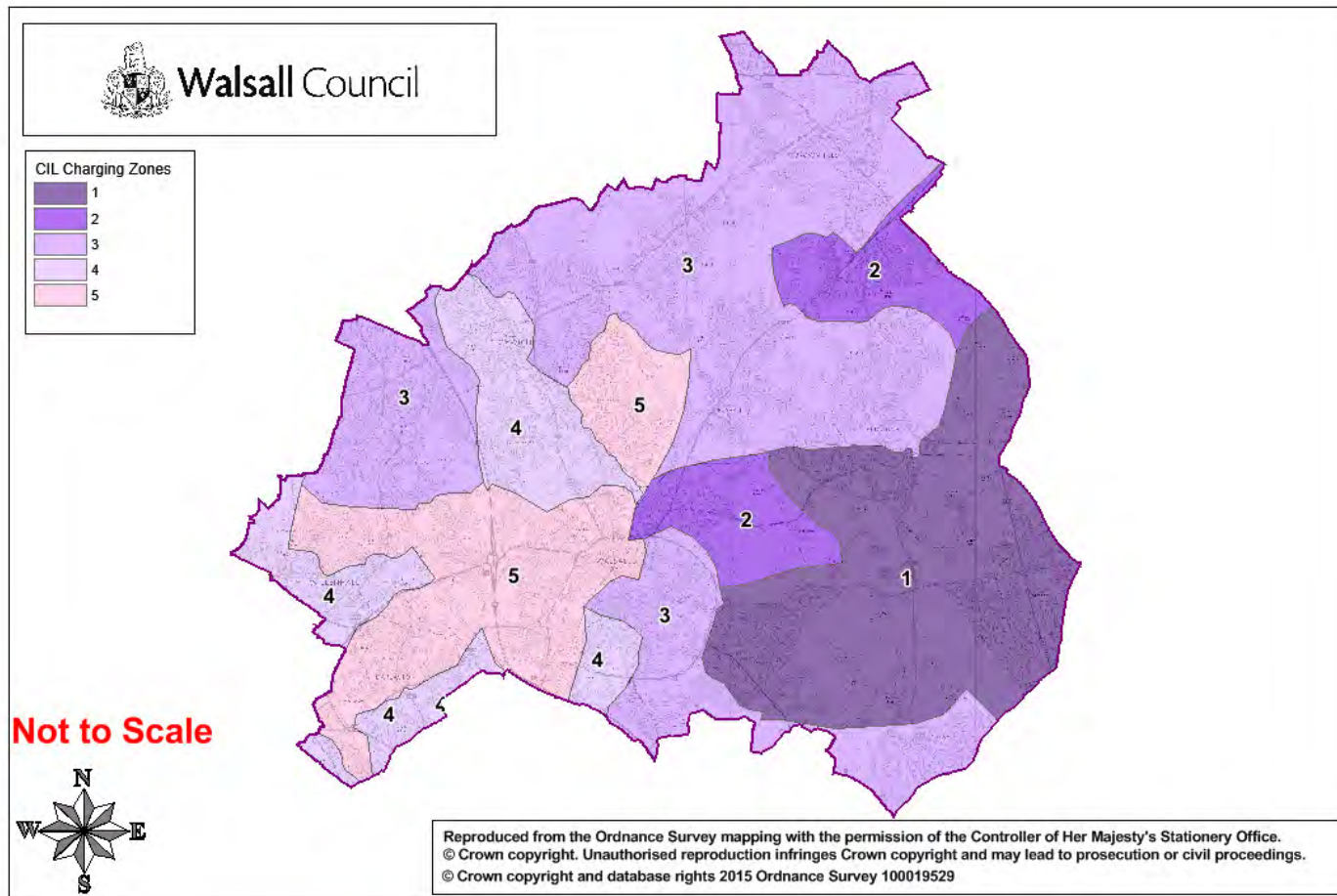
# Preliminary Draft CIL Charging Schedule



- 1. First stage of consultation for CIL;**
- 2. Sets out the scope of CIL;**
- 3. Sets out how CIL might operate alongside Section 106; and**
- 4. Shows the proposed CIL rates and Charging Zones for Walsall.**



# Proposed Charging Zones



# Preliminary Draft CIL Charging Schedule – Proposed Rates



**Table 1:**

	<b>Residential (£ per sq m)<sup>1</sup></b>			
	<b>Below 15 Units (all other housing developments)</b>	<b>Above 15 Units &amp; Below 40 Units (all other housing developments)</b>	<b>Below 40 Units (Flats)</b>	<b>Above 40 Units (all housing developments)</b>
Zone 1	£100	£100	£5*	£100
Zone 2	£75	£50	£5*	£75
Zone 3	£50	£25	£5*	£50
Zone 4	£5*	£5*	£5*	£5*
Zone 5	£5*	£5*	£5*	£5*
<b>Commercial Development (£ per sq m)<sup>2</sup></b>				
<b>Non-Food Retail Warehousing<sup>3</sup></b>				
Any Location	£75			
<b>Food Retail (&gt;2,000 sqm)<sup>4</sup></b>				
Any Location	£100			
<b>All Other Uses</b>				
	£0			

**\*£5 per sq m nominal charge. This approach has been taken by other charging authorities and supported by examiners because it is accepted that such a low charge out of overall development costs would not render the overall development to be unviable and undeliverable.**



# Preliminary Draft CIL Charging Schedule – Definitions



<sup>1</sup> Excluding Residential Care Homes.

<sup>2</sup> CIL will be charged on the total floorspace for retail development, so that where one or more units are proposed as part of an overall scheme the charge will apply to the total floorspace of all units that make up the scheme and not for each individual unit.

<sup>3</sup> Retail stores of any size but characterised by a shed-like construction, showing a greater similarity to warehouses than to standard shop units. They might occupy a single floor or include mezzanine floorspace. Retail warehouses are often provided with relatively large amounts of customer parking. They have tended to be developed in out-of-centre and edge-of-centre locations, but (in principle and subject to design considerations) they could be accommodated within centres. The retail warehouse sector has grown up specialising in the sale of household goods (such as carpets, furniture and electrical goods) and bulky DIY items, but there have been pressures for the ranges of goods sold to be widened so that (subject to planning controls) retail warehouses might be found selling all ranges of non-food goods. This definition includes warehouse clubs where the built form of their developments shares the characteristics of retail warehouses.

<sup>4</sup> Food retail (foodstores) can also include non-food floorspace as part of the overall mix of the unit.





# Preliminary Draft CIL Charging Schedule – Actual Buffer



- Residential rates proposed at **46 – 74%** below maximum amount available.
- Retail rates proposed at **73 – 88%** below maximum amount available.
- This is significantly more than the recommended buffer of between **25-30%**.



# Preliminary Draft CIL Charging Schedule – S106



## Likely continued use of S106

- **Site specific highway improvements such as vehicle access, junction improvements and public transport improvements necessary to make the development acceptable;**
- **Site specific air quality mitigation measures;**
- **Site specific public art (where justified – now applied in limited circumstances);**
- **Provision of affordable housing; and**
- **Site specific flood mitigation / resilience measures.**



# Preliminary Draft CIL Charging Schedule – CIL



## **Examples of infrastructure likely to be funded by CIL:**

- Provision, improvement, replacement, operation or maintenance of strategic transport and highways infrastructure;
- Provision, improvement, replacement, operation or maintenance of strategic utilities infrastructure for employment sites outside the enterprise zone;
- Provision, improvement, replacement, operation or maintenance of education facilities;
- Provision, improvement, replacement, operation or maintenance of open Space and outdoor leisure;
- Provision, improvement, replacement, operation or maintenance of community hubs, heritage centre and other social related infrastructure;
- Provision, improvement, replacement, operation or maintenance of strategic flood resilience and mitigation infrastructure;
- Provision, improvement, replacement, operation or maintenance of strategic nature conservation and environmental infrastructure; and
- Provision, improvement, replacement, operation or maintenance of strategic public realm.



# Infrastructure Delivery Plan



- **Required to set out infrastructure requirements to support development (living document);**
- **To evidence existing infrastructure projects estimated costs and other funding streams; and**
- **To set out the funding gap necessitating the need to implement **CIL.****



# Infrastructure Delivery Plan



- Total Funding Gap = **£185m**
- Total Forecasted CIL Receipts (over plan period) = **£4.5m or £5.5m\***

**\*if nominal charge is set in lower value areas**



# Any Questions?



# Any Questions?



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[www.walsall.gov.uk](http://www.walsall.gov.uk)

# Finally....



## Please respond to the consultation by 2<sup>nd</sup> November 2015!

### For more information about:

- CIL contact Mike Brereton, Walsall Council (01922 658021)
- the plans contact the Planning Policy Team (01922 658020)
  - Planning Policy Manager Mike Smith (01922 658024)

[www.walsall.gov.uk/planning\\_2026](http://www.walsall.gov.uk/planning_2026)

email us at [planningpolicy@walsall.gov.uk](mailto:planningpolicy@walsall.gov.uk)



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