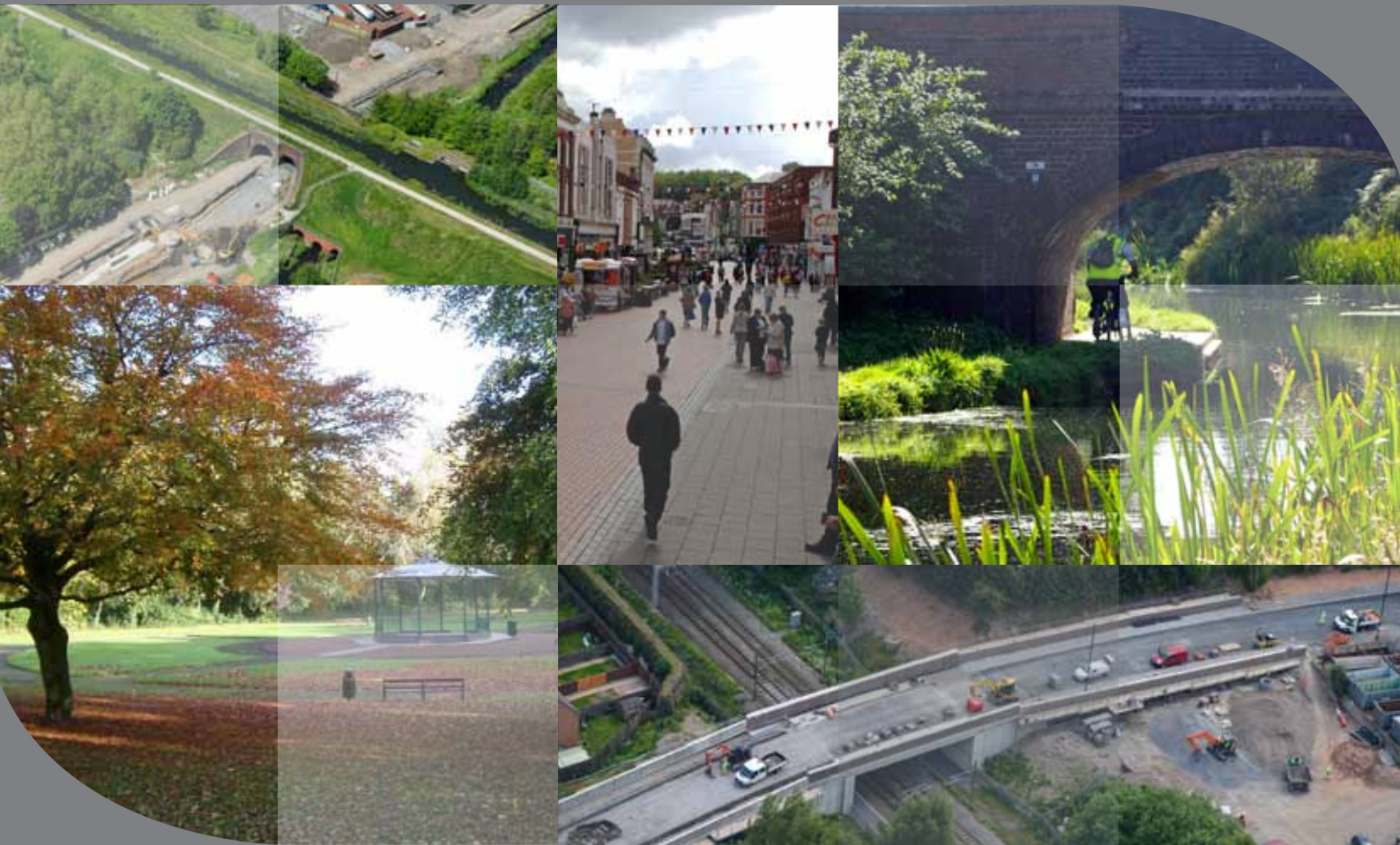


Walsall Council Preliminary Draft Charging Schedule

Community Infrastructure Levy (CIL)



Consultation 2015



Walsall Council



Introduction

The Community Infrastructure Levy (CIL) has been introduced by the Government as the preferred way for local authorities to improve infrastructure and deal with planning obligations. CIL Regulations 2010 (as amended) provide local authorities with the opportunity to generate revenue from new developments, to be spent on wide range of infrastructure projects which are needed as a result of, or to enable, development. Such projects include (but are not limited to) roads, public transport, open space or health centres in their areas. CIL charges must be based on a viability assessment of development in the Borough and CIL income must be spent on identified infrastructure needs.

This Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule, attached as Appendix 1, has been published by Walsall Council for consultation between **7th September** and **2nd November 2015**. A questionnaire and details of how to respond are attached as Appendix 2.

The Council has prepared a draft Infrastructure Delivery Plan to establish what the boroughs infrastructure needs are and to identify what funding is available. As a result, the Council has identified an Infrastructure Funding Gap of just under £180 million, and that a Community Infrastructure Levy is necessary to address some of the funding deficiency.

The Council commissioned consultants DTZ to undertake a Viability Study carried out in 2015 to assess the viability of development schemes in Walsall, in particular to support the production of a Preliminary Draft CIL Charging Schedule alongside a Site Allocation Document and Walsall Town Centre Area Action Plan which are being prepared in tandem due to their joint reliance on viability evidence.

The study showed that viability of residential development in most areas of Walsall, and for some types of retail development, is sufficient to bear a CIL charge. The charge is considered to be an appropriate balance between the need to fund infrastructure for growth and the need to enable development to take place. It is anticipated that CIL receipts for the period 2016 to 2026 will be approximately £4.5M or £5.6M if a £5 nominal charge is set in low value areas as set out in Appendix 1.

The Council will monitor CIL rates annually and consider a review of CIL as and when market conditions and viability information warrant it.

Scope of CIL

The following retail and residential development types may be liable for CIL:

- Development comprising 100 sq. m. or more of net additional floorspace;
- Development of less than 100 sq. m. of net additional floorspace that results in the creation of one or more dwellings;
- The conversion of a building that is no longer in lawful use.

Mandatory Exemptions and Relief from CIL

The CIL regulations provide for certain types of development to be exempt or eligible for relief from CIL, as set out below:

- Development of less than 100m² of new build floorspace, unless it is a whole dwelling;
- Houses, flats, residential annexes and residential extensions which are built by self-builders;
- Social housing meeting the relief criteria;
- Charitable development that meets the relief criteria;
- Vacant buildings brought back into the same use.

Regulation 123 list

Regulation 123 of the Community Infrastructure Regulations 2010 (as amended) restricts the use of planning obligations for infrastructure that will be funded in whole or in part by the Community Infrastructure Levy. Infrastructure types or projects that are listed on the Regulation 123 list cannot also be secured through planning obligations. This is to ensure there is no duplication between CIL and planning obligations secured through s106 in funding the same infrastructure projects. A draft Infrastructure Delivery Plan (IDP) has been published alongside this consultation and the draft Regulation 123 list will be published alongside the draft CIL Charging Schedule in 2016.

Neighbourhood Funding Portion

Regulations require that between 15% and 25% of CIL generated in a particular Charging Area will be spent in that area. The Council will undertake consultation with local councillors and communities as appropriate in order to ensure the Neighbourhood Funding Portion is properly expended.

Next Steps

Following this consultation, the Council will take into consideration any comments received and will consult on a Draft Charging Schedule in early 2016. The current timetable is for the Draft Charging Schedule to be submitted for Examination in summer 2016 so that the Charging Schedule can be in place for late 2016. The Council will prepare further documents prior to the introduction of the CIL Charge, providing information on how it will operate in Walsall, including an instalment policy, any options for payments in kind and details of any discretionary relief policy which may be introduced.

Appendix 1

PRELIMINARY DRAFT CHARGING SCHEDULE for Walsall Council (the Charging Authority)

This charging schedule was approved on (*date to be inserted*) and takes effect from (*date to be inserted*). It has been issued, approved and published in accordance with CIL Regulations 2010 (as amended), and Part 11 of PA 2008.

Table 1:

	Residential (£ per sq m)¹			
	Below 15 Units (all other housing developments)	Above 15 Units & Below 40 Units (all other housing developments)	Below 40 Units (Flats)	Above 40 Units (all housing developments)
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*
Commercial Development (£ per sq m)²				
Non-Food Retail Warehousing³				
Any Location	£75			
Food Retail (>2,000 sqm)⁴				
Any Location	£100			
All Other Uses		£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.**

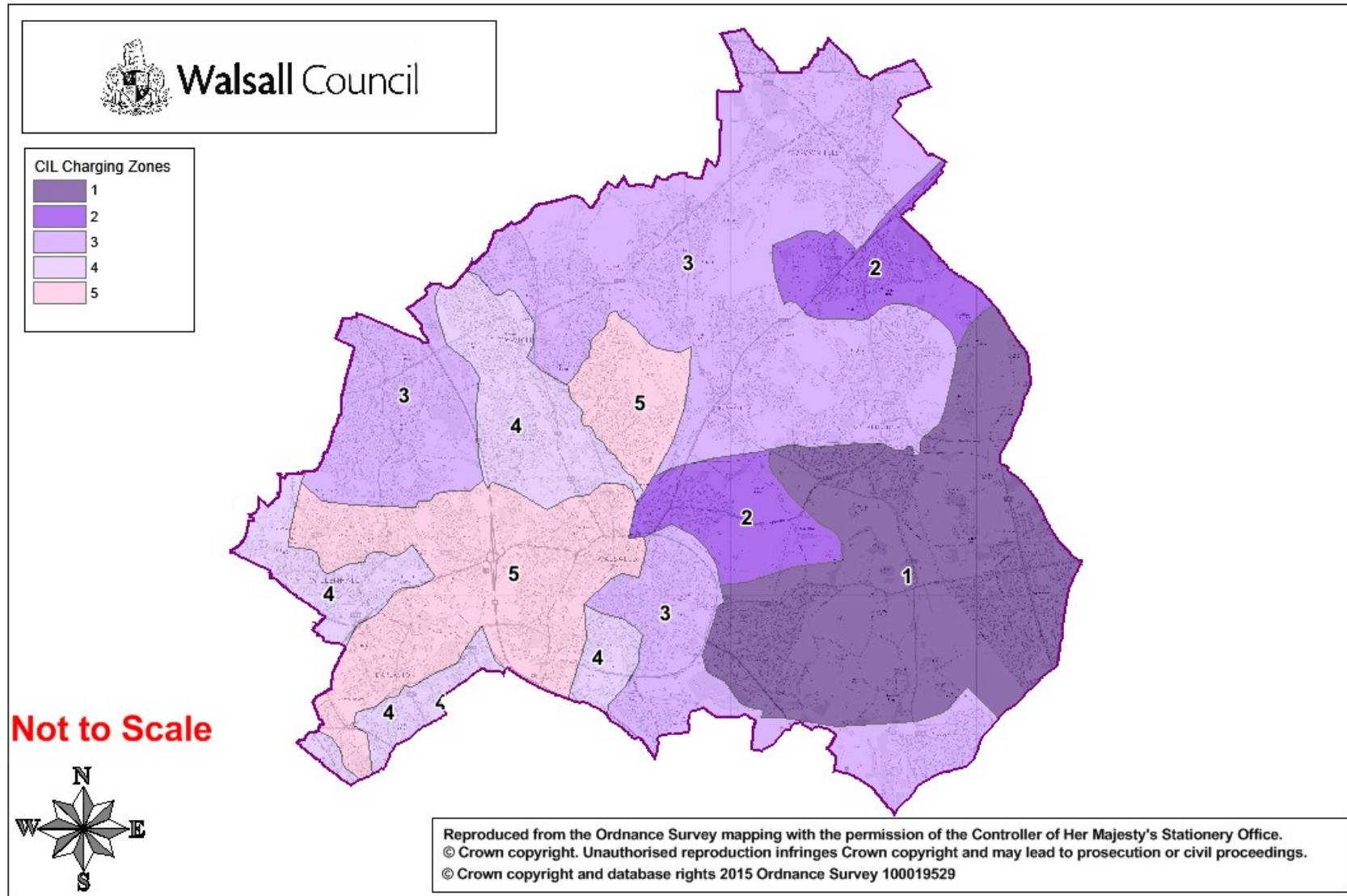
¹ Excluding Residential Care Homes.

² 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.

³ 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.

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

Figure 1: Map of CIL Charging Zones



Calculating the Chargeable Amount

The chargeable rate per square metre has been set with regard to viability, to ensure that the levy does not put at risk overall development in Walsall. The 'Chargeable Amount' will be calculated by the Council in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010, (as amended). In outline, the chargeable rate per square metre is multiplied by the chargeable net area of development, and adjusted in accordance with the RICS Tender Price Index (to allow for changes in prices between the date the rate is set, and the date the charge is applied to a particular development).

Supporting Information and Evidence Base

The documents listed below support this CIL Preliminary Draft Charging Schedule. They are all available on the Council's website at www.walsall.gov.uk/community_infrastructure_levy:

- CIL Viability Study
- Infrastructure Delivery Plan (IDP)

Section 106

The NPPG recommends that it is good practice for charging authorities to publish details of the proposed use of Section 106 alongside the operation of CIL. The commissioned CIL viability study sets out that the use of Section 106 is likely to be scaled back to the following items of infrastructure post CIL adoption. This will be considered in more detail as part of the draft Regulation 123 List in 2016 and published alongside the consultation on the Draft CIL Charging Schedule:

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;
- Provision of affordable housing; and
- Site specific flood mitigation / resilience measures.

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.

Appendix 2 – Community Infrastructure Levy Preliminary Draft Charging Schedule Response Form

If you do wish to make comments on the Preliminary Draft CIL Charging Schedule please complete the sections below. Comments should cover succinctly all the information, evidence and supporting information necessary to support or justify the comment and the suggested change.

All comments must be submitted in writing by **2nd November 2015** either by post to:

Planning Policy, Environment and Economy, 2nd Floor Civic Centre, Darwall Street, Walsall, WS1 1DG, or by email to: PlanningPolicy@Walsall.gov.uk.

Please note that late representations will not be accepted. The CIL regulations require that any representations must be submitted to the examiner together with a summary of the main issues raised. Therefore, comments cannot be treated as confidential. They will be attributed to source and made available as public documents.

Your Details	
Name	
Organisation (where relevant)	
Job Title (where relevant)	
Address (inc post code)	
Telephone Number	
Email Address	

Q1. Do you have any comments to make on Walsall's Preliminary Draft CIL Charging Schedule and supporting information?

Thank you for completing the questionnaire.

