

Waverley CIL Update Overview and Scrutiny Committee Meeting

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CIL update

- Following discussions we were asked to:
 - Consider a density of 40 dwellings per hectare as the basis for the CIL rate
 - Test the impact on higher density schemes (flats), using updated data
 - Consider a single rate, rather than using housing rent areas
 - Advise on indexation (on costs and values) both pre and post CIL implementation
 - Advise on relationship with SAMM and SANG and how this is considered within the viability work
- Officers have also asked us to explain
 - An overview of CIL process and CIL setting to Examination
 - What are others charging
 - What the CIL rates will mean in practice
 - The relationship between CIL, Regulation 123 and S106/S278

CIL - a reminder

- CIL is a charge that councils can place on development to help fund the infrastructure to support development proposed in the Plan
- A proportion (15% or 25%) of CIL receipts will be passed to Parish and Town Councils for communities to spend on local infrastructure projects – the rest is retained by the District.
- CIL can still be used in combination with existing mechanisms such as S106 or S278 - it is not a choice between them – items like affordable housing will continue to be sought through S106
- The CIL must strike an appropriate balance between contributing to funding infrastructure and not putting development at risk by making it financially unviable.
- CIL is viability driven – viability tests what is left after the cost of development is taken away from the value of development
- This remainder is converted into a CIL rate which is shown as £ per sq.m of development

Rate review

- We previously presented a range of potential CIL rates based on different densities of development and suggested 45 dph as the base
- We have retested at 40 dph density
- By setting a rate based on 40dph this caused viability issue for high density flatted schemes
- However by updating some of the assumptions around flatted development (as more information is now available) we are able to show that these would be viable at the proposed rate.
- Presenting a single rate

Rate review

- Following a reassessment of residential viability the rates proposed are as follows:
 - 11 plus units: £433 (no SAMM/SANG) £405 (SAMM/SANG area)
 - 1 to 10 units: £470 (no SAMM/SANG) £449 (SAMM/SANG area)
- Potential CIL receipt over plan period
 - £80m to £85m

How do these rates compare?

CIL rates around Waverley

Charging



**Horsham -
April 2017**

**Mole Valley -
January 2017**

**Chichester -
February 2016**

**East Hampshire
April 2016**

Consultation

**Hart -
December 2016**

**Rushmoor -
October 2013**

**Guildford -
January 2015**

What do these revised rates mean for a typical development?

Scenario	Affordable housing	Market housing	CIL receipt (Non SAMM/SANG)	CIL receipt (SAMM/ SANG)
1 homes	0	1	£42,300	£40,410
10 homes	0	10	£423,000	£404,100
25 homes	7.5	17.5	£681,975	£637,875
75 homes	22.5	52.5	£2,045,925	£1,913,625
100 homes	30	70	£2,727,900	£2,551,500
500 homes	150	350	£13,639,500	£12,757,500

Indexation

- What happens with CIL rate once you are charging?
 - It is linked to the BCIS All price tender index – when this goes up or down so will your CIL rate
 - Reviewed on an annual basis, normally November
- What does this mean in reality
 - A CIL of £150 introduced in 2014 is now £179
 - On a scheme of 100 liable dwellings this is an increase of £260,000

SANG and SAMM

- SAMM
 - Not infrastructure (S106)
 - Viability assessment includes allowance to apply in affected areas (based on Thames Basin strategy)
- SANG
 - Legal opinions suggest that
 - If improving existing – Not infrastructure (S106)
 - When creating new – Infrastructure (CIL)
 - Viability assessment allows for either situation

Infrastructure Regulation 123 and S106

- Reg 123 list identifies infrastructure to be funded by CIL
- This can be changed at anytime with limited consultation
- If an item of infrastructure is on the 123 list then the same identified item shouldn't be funded through S106
- Most authorities with charging schedules have evolved their 123 list

CIL next steps and future decision making

- Consult on the PDCS – opportunity to review and update
- Consult on the DCS – opportunity to review and update
- Submit – limited opportunity to review
- Examination – limited opportunity to review
- Confirm CIL rate and Regulation 123 list
- Decide on governance and spending priorities