

Rotherham Community Infrastructure Levy Viability & Infrastructure Study

Improving Places Board
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What is CIL?

- Raise financial contributions to help pay for infrastructure needed as result of development.
- Payable on 'most buildings that people normally use'.
- Levied on net additional floorspace created.
- (Any new build that replaces existing floorspace that has been in recent use on the same site will be exempt from CIL, even if the new floorspace belongs to a higher-value use than the old.)
- As charging authority, Rotherham must produce draft charging schedule – sets our rates by development type / geographic area. Rates tested at examination.

Study Scope

- To provide economic viability evidence to inform CIL charge for Rotherham Borough
- CIL Rate Setting Process must:
“strike what appears to the charging authority to be an **appropriate balance between** the **desirability of funding infrastructure** and the potential effects of the imposition of the charge on the **economic viability of development** across its area”

Study objectives

- To enable us to decide:
 - The **viability assumptions** which reflect development currently taking place and sensitivity testing possible future changes;
 - The **infrastructure funding gap** to inform the CIL and initial consideration of a CIL Regs 123.
 - Proposed **CIL charge** to support the delivery of strategic infrastructure to enable growth to take place.

Study Approach

- Assess economic geography of Rotherham ... informs CIL charge zones.
- Consider impact of policies e.g. affordable housing, zero carbon and landscape management on viability assessment.
- Review 'infrastructure funding gap' figure ... consider effect of minimum threshold size of development on capturing s106 contributions to fund infrastructure delivery.

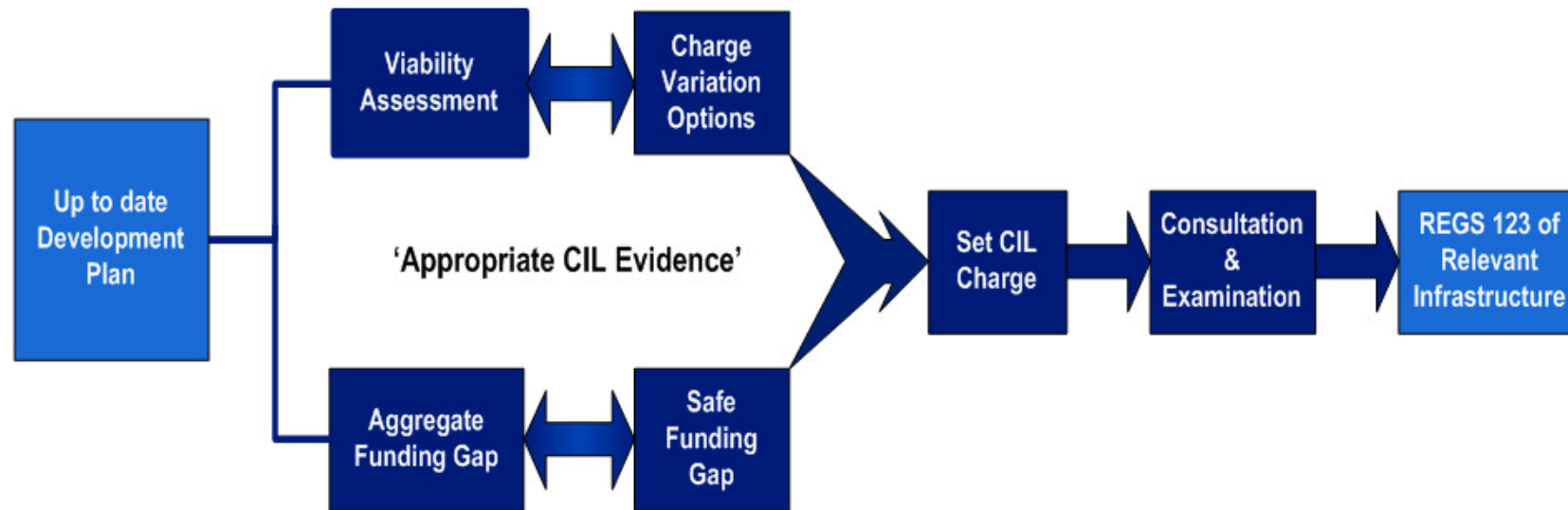
Key Inputs – from planners

- Affordable Housing Policy Level of 25% should be included
- Ensure all neighbourhoods affected by new development receive some neighbourhood funding
- Other Core Strategy policy requirements intentionally worded to allow degree of flexibility on viability
- Bassingthorpe Farm is critical to Plan delivery .. viability assessment should take account of higher on-site infrastructure needs

Key Inputs – from infrastructure providers

- Guidance required as to which mechanism (CIL or S106) would best support the delivery of critical infrastructure. In some instances it was still possible to use either.
- Particularly clarity needed on how best to support the delivery of Bassingthorpe Farm & ensure essential infrastructure both on site and off site was provided in a timely way.

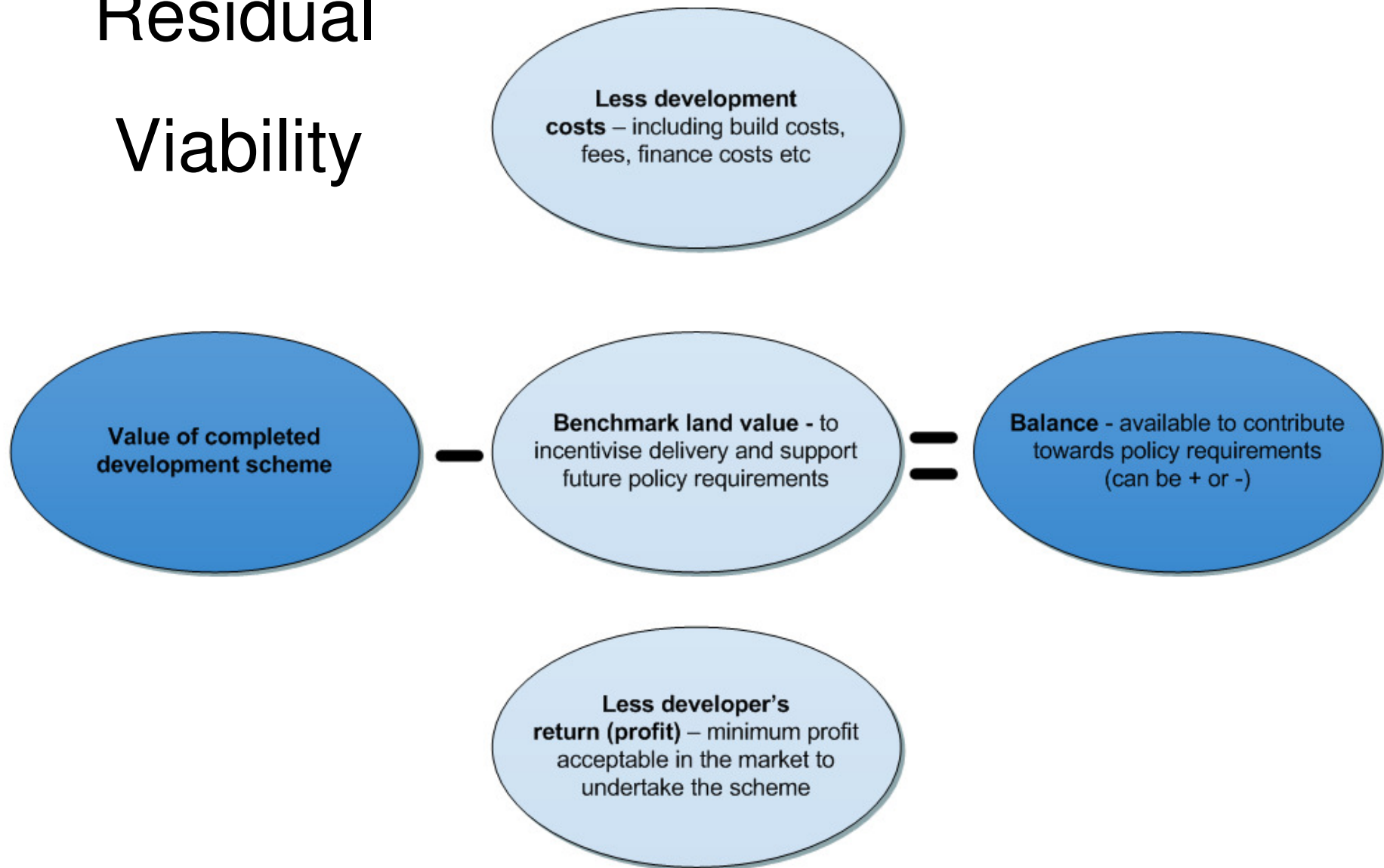
Evidence to inform CIL charging Schedule



Appraisal

- Used simple Residual Approach for both residential & commercial development.
- i.e.
 - Value of Development minus Development Costs (including policy costs).
 - Compare the ‘residual’ against a ‘threshold land value’ benchmark to determine the balance available to support CIL’.

Residual Viability



Appraisal (cont./)

- Area based approach – broad test of viability across the Borough but with sampling an appropriate range of sites, in particular strategic sites.
- For residential – assessed implications of affordable housing and other requirements.

Appraisal Assumptions

- Proportion of net site area that is developable for housing (i.e. not required, for e.g. open space, infrastructure etc);
- Density of development;
- Level of affordable housing & the mix of shared ownership, affordable rented and social rented;
- Average size of houses;
- Build cost per sq.m;
- Sales value per sq.m;
- Sales rates
- Threshold land value per net hectare;
- Typical S106 / S278 costs;
- Costs for site opening costs (for Bassingthorpe Farm)
- Professional fees;
- Costs of sales and marketing; and
- Finances costs.

Steps to Setting Charge Zones

1. Look at current new residential house prices.
2. Mapped these house prices and overlaid the proposed planned growth.
3. Talked to agents, developers and officers.
Together with Land Registry data ... allowed sense testing emerging assessment and refine the CIL charge zones.
4. Tested this approach through formal development appraisals.

Figure 5.6 Average Sales Price for all Semi Detached Properties

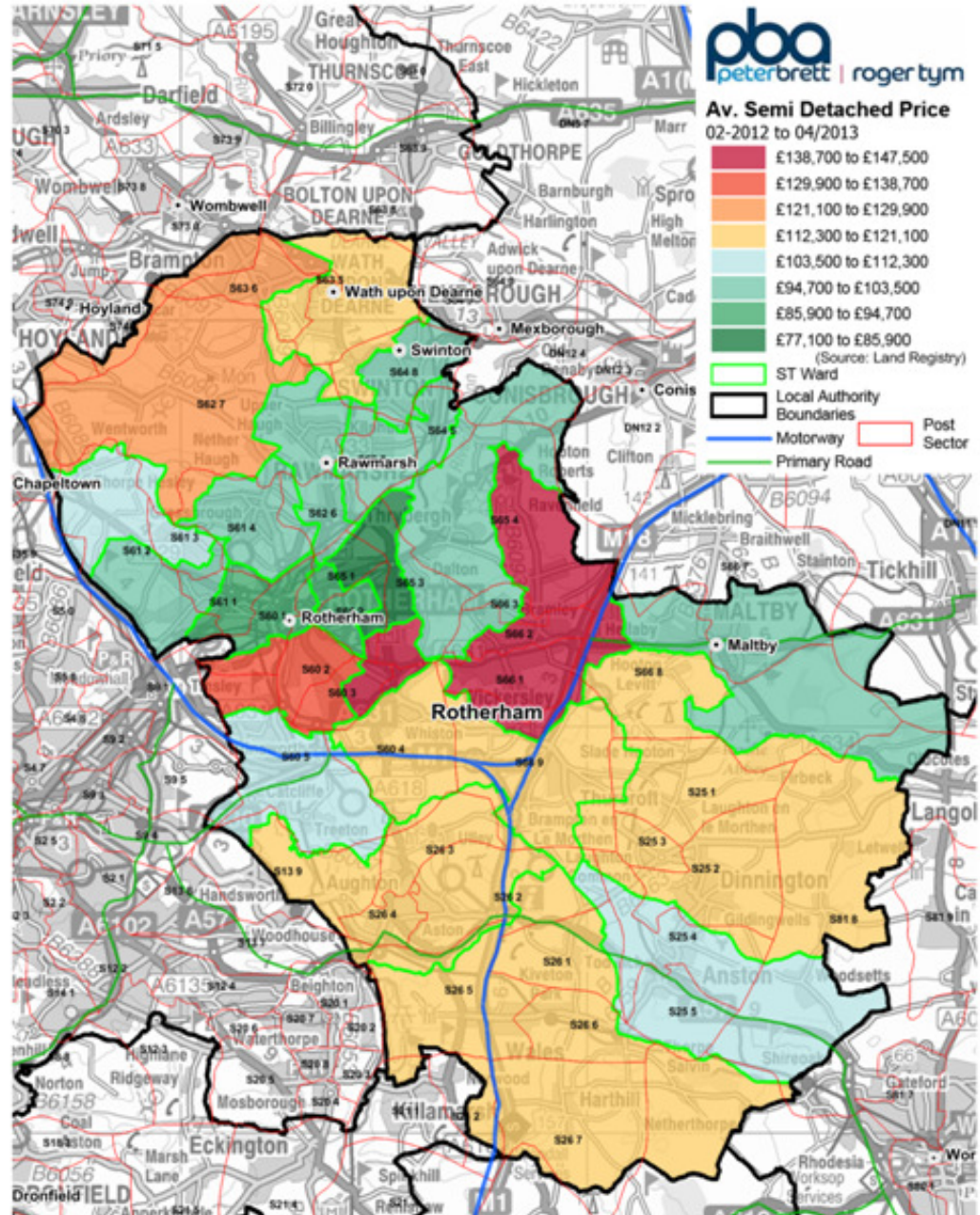
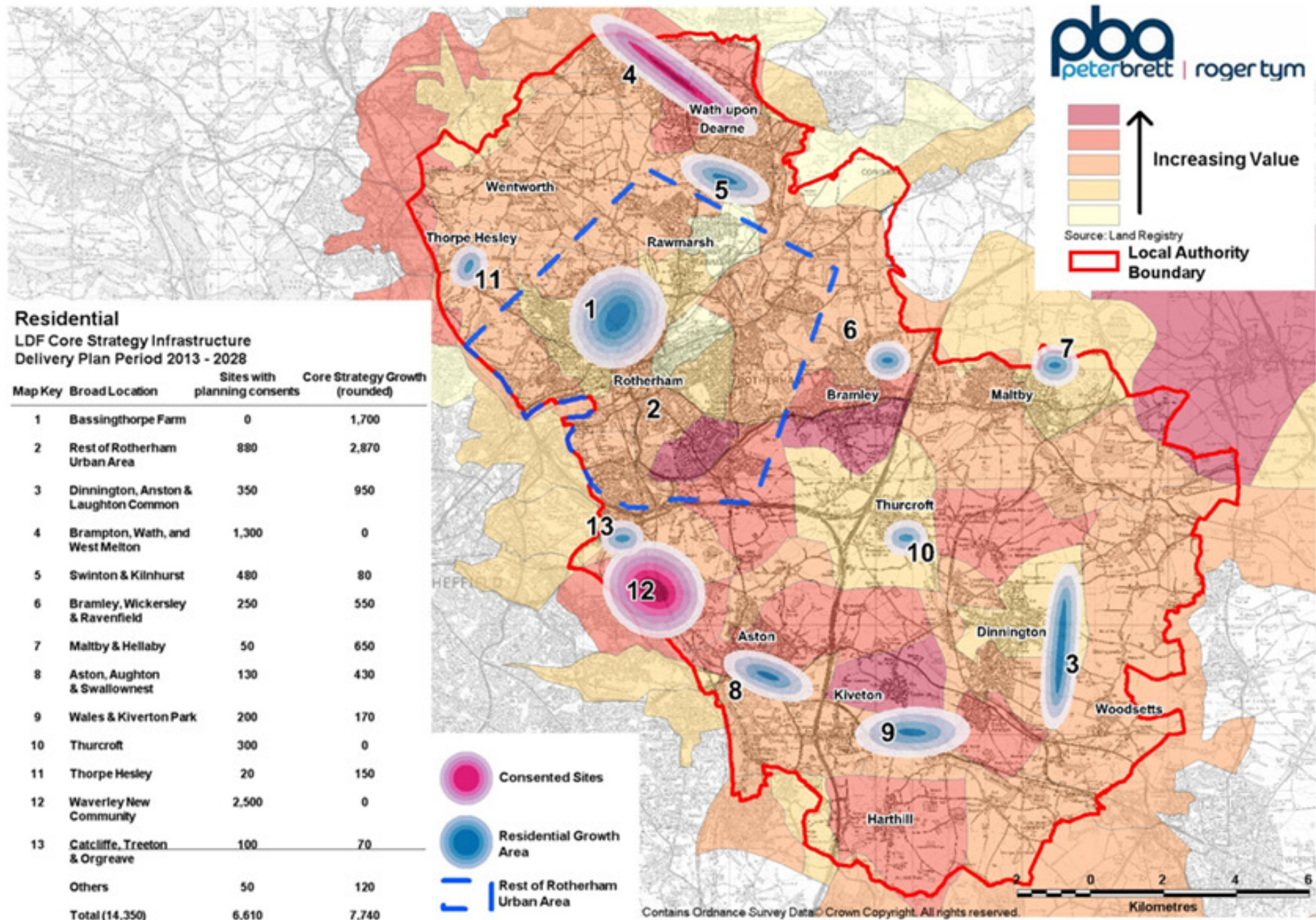


Figure 5.7 Planned Growth and Sales Value Heat Map for Rotherham



CIL Charge Zones & Local Plan Proposed Developments

- Charge Zone:**
- Zone 1 (High) - Broom, Moorgate, Whiston, Wickersley, Bramley and Ravenfield
 - Zone 2 (Medium) - Rural North West, the Dearne and South Rotherham
 - Zone 3 (Low) - Rotherham Urban Area and East Rotherham
 - Zone 4 (SUE) - Bassingthorpe Farm SUE
 - Local Authority boundary

Residential

LDF Core Strategy Infrastructure Delivery Plan Period 2013 - 2028

Map Key	Broad Location	Sites with planning consents	Core Strategy Growth (rounded)
1	Bassingthorpe Farm	0	1,700
2	Rest of Rotherham Urban Area	880	2,870
3	Dinnington, Anston & Laughton Common	350	950
4	Brampton, Wath, and West Melton	1,300	0
5	Swinton & Kilnhurst	480	80
6	Bramley, Wickersley & Ravenfield	250	550
7	Maltby & Hellaby	50	650
8	Aston, Aughton & Swallownest	130	430
9	Wales & Kiverton Park	200	170
10	Thurcroft	300	0
11	Thorpe Hesley	20	150
12	Waverley New Community	2,500	0
13	Catcliffe, Treeton & Orgreave	100	70
Others		50	120
Total (14,350)		6,610	7,740

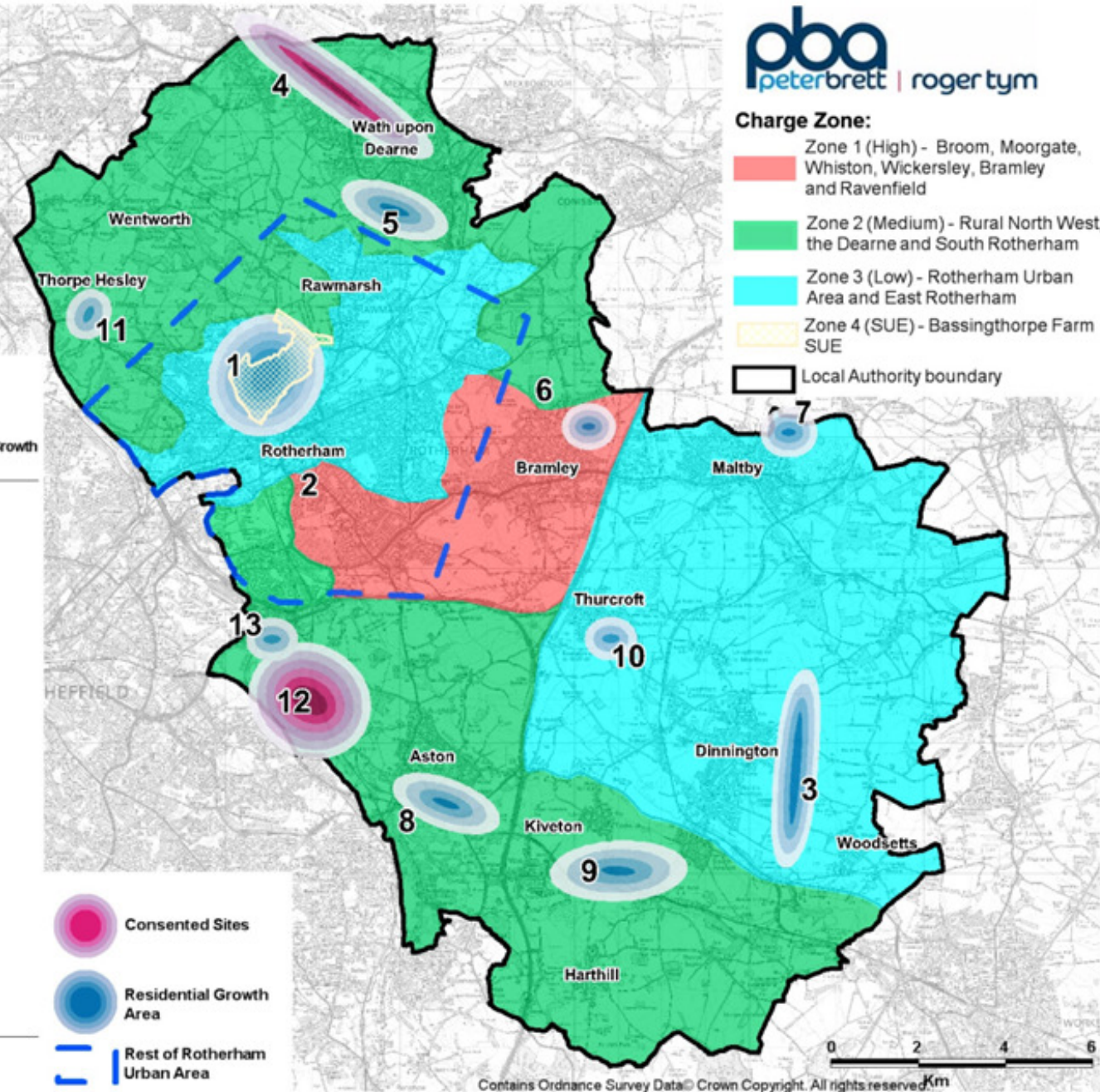
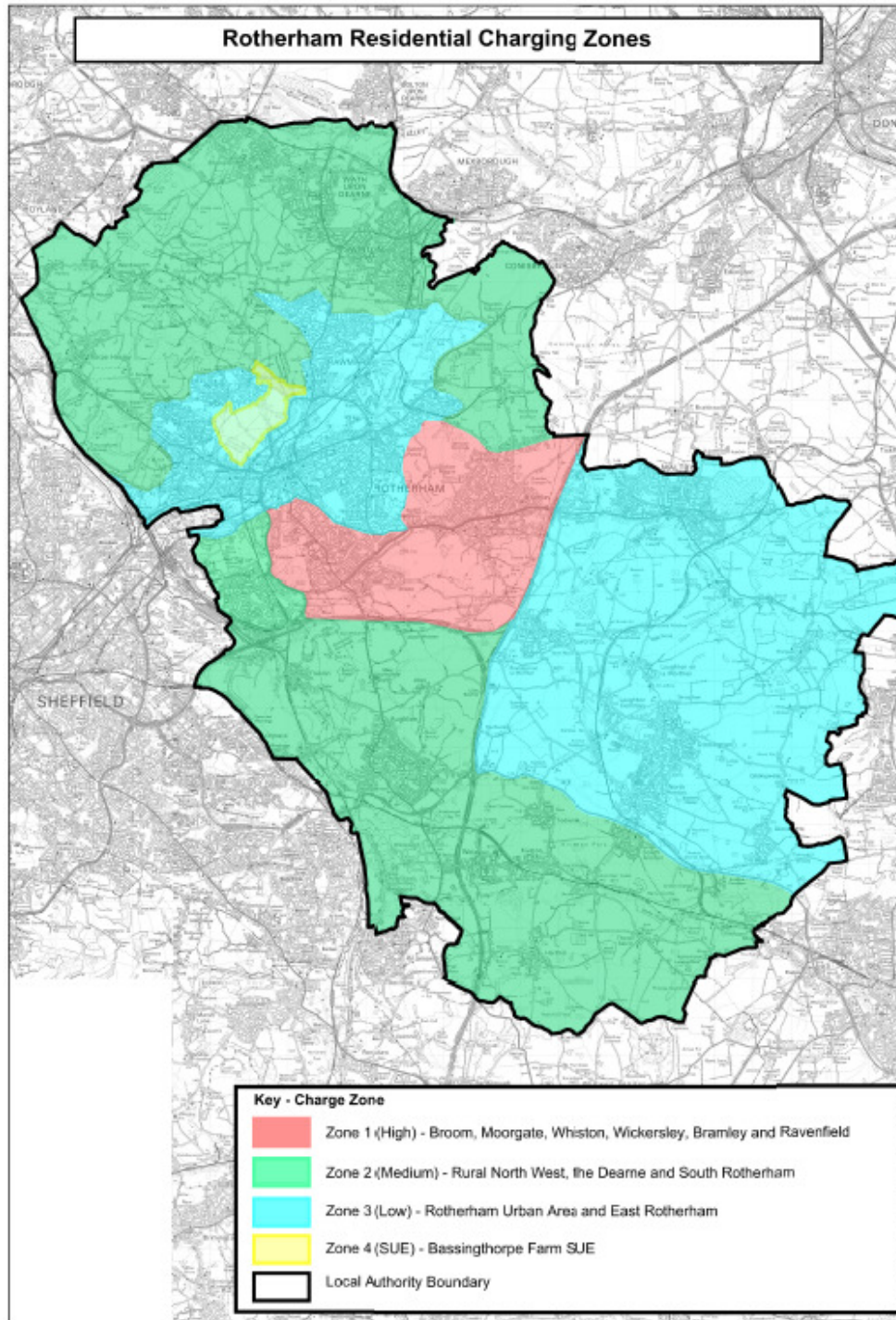


Table 8.1 Proposed Charging Schedule

.Proposed Charging Zone		Proposed Rate £psm
Residential Zone 1 High	Broom, Moorgate, Whiston, Wickersley, Bramley and Ravenfield	£65
Residential Zone 2 Medium	Rural North West, the Dearne and South Rotherham.	£30
Residential Zone 3 Low	Rotherham Urban Area and East Rotherham	£15
Residential Zone 4	Bassingthorpe Farm Strategic Site	£15
	Supermarket convenience stores	£60
	Retail warehouse	£30
	All other uses	£0psm

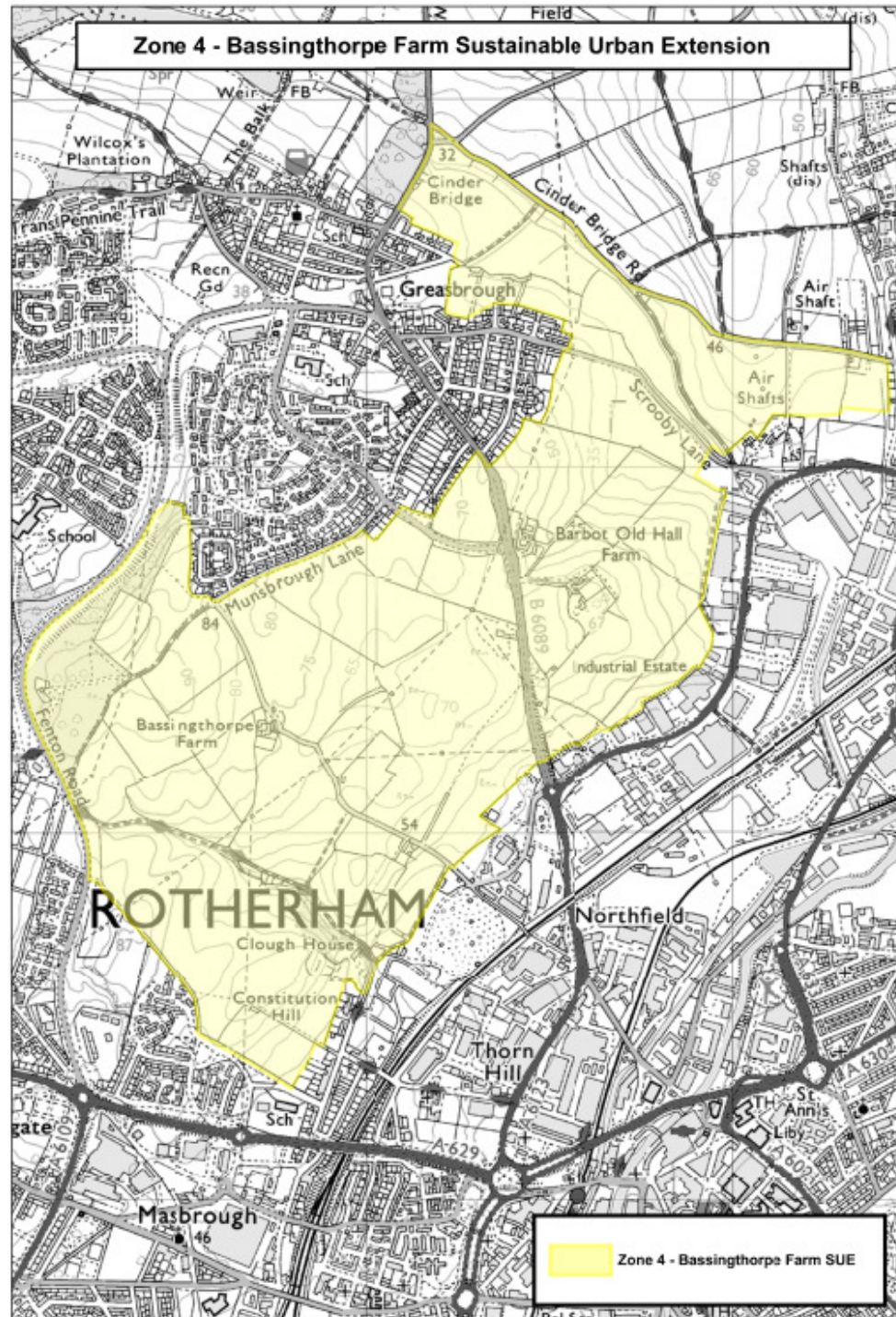
Rotherham Residential Charging Zones



Key - Charge Zone

- Zone 1 (High) - Broom, Moorgate, Whiston, Wickersley, Bramley and Ravenfield
- Zone 2 (Medium) - Rural North West, the Dearne and South Rotherham
- Zone 3 (Low) - Rotherham Urban Area and East Rotherham
- Zone 4 (SUE) - Bassingthorpe Farm SUE
- Local Authority Boundary

Zone 4 - Bassingthorpe Farm Sustainable Urban Extension



Projected CIL Revenue

Table 8.2 Rotherham CIL Revenue Projections based on recommended CIL charges

	CIL Charge £ per sq.m	No. units in plan period (note 1a)	Market units (note 1b)	Unit floorspace (sq. m) (note 2)	Gross floorspace (sq. m) (note 3)	Estimated net additional proportion	Estimated net additional floorspace (sq. m)	Estimated CIL revenue in plan period	Estimated annual CIL revenue
Residential									
Houses									
<i>high zone</i>	65	1,518	1214	110	133,584	95%	126,905	£8,248,812	£749,892
<i>mid zone</i>	30	2,392	1914	100	191,360	95%	181,792	£5,453,760	£495,796
<i>low zone</i>	15	2,558	2046	95	194,408	95%	184,688	£2,770,314	£251,847
<i>Bassingthorpe Farm SUE</i>	15	1,700	1360	110	149,600	95%	142,120	£2,131,800	£193,800
Non-residential									
Retail warehouses	30				8,000	95%	7,600	£228,000	£20,727
Supermarkets	60				6,439	50%	3,220	£193,170	£17,561
Offices & Industrial	-						-	£0	£0
Other chargeable	-						-	£0	£0
Total		8,168						£19,025,856	£1,729,623

Note 1a: taken from the Core Strategy and adjusted for additional allocation by client team - July 2013

Note 1b: affordable housing is not liable for CIL. We assume that an average of 20% affordable housing is achieved.

Note 2: the average unit size is based on our analysis of new build properties

Note 3: office and industrial floorspace relates to the figure is based on the Core Strategy.

Note 4: CIL is levied on net additional floorspace, so an allowance is made for existing buildings demolished to make way for new development.

Note 5: Parish council CIL allowance

Updated Infrastructure Delivery Schedule

Rotherham Infrastructure Schedule - July 2013 update	Priority	Capital or revenue?	Known gross cost	Known / reasonably anticipated funding via mainstream / public agency	S106 already collected / agreed towards this cost	CIL Infrastructure Funding Gap	Regs 123 list CIL	Regs 123 list s106
(A) TRANSPORT - HIGHWAY								
Signalise A629 Wortley Road/Oaks Lane give way junction	Essential	Capital	£350,000	£0	£0	£350,000	350,000	
Signalise Fenton Road roundabout	Essential	Capital	£1,250,000	£0	£0	£1,250,000	1,250,000	
Convert Pool Green roundabout to signalised crossroads	Essential	Capital	£4,911,216	£3,438,000	£0	£1,473,216	1,473,216	
Signalise Ickles roundabout	Essential	Capital	£1,250,000	£0	£0	£1,250,000	1,250,000	
Signalise Masons Roundabout, Wickersley	Essential	Capital	£1,250,000	£0	£0	£1,250,000	1,250,000	
Additional left turn lane from B6090 Wentworth Road in A633 Warren Vale	Essential	Capital	£300,000	£0	£0	£300,000	300,000	
Signalise Cumwell Lane give way junction	Essential	Capital	£250,000	£0	£0	£250,000	250,000	
Signalise Rotherway roundabout	Essential	Capital	£1,000,000	£0	£0	£1,000,000	1,000,000	
Sub total Highways			£10,561,216	£3,438,000		£7,123,216	£7,123,216	£0
PUBLIC TRANSPORT								
Sustainable Travel Measure @ £500 per dwelling that is not in a sustainable location	Essential	Revenue	£1,935,000			£1,935,000	1,935,000	£0
Key Route Bus - Rotherham - Thrybergh (Rest of Rotherham) DfT bid	Desirable	Capital	£5,750,000	£4,000,000		£1,750,000	1,750,000	

Infrastructure Schedule - July2013 update	Priority	Capital or revenue?	Known gross cost	reasonably anticipated funding via mainstream / public agency	already collected / agreed towards this cost	CIL Infrastructure Funding Gap	Regs 123 list CIL	Regs 123 list s106
Key Route Bus - Rotherham to Dearne DfT bid	Desirable	Capital	£3,450,000	£1,100,000		£2,350,000	2,350,000	
Key Route Bus - Rotherham - Maltby (sites 6 & 7)	Desirable	Capital	£1,600,000	£0		£1,600,000	1,600,000	
Key Route Bus - Rotherham - Swallownest (sites 8 & 9)	Desirable	Capital	£650,000	£0		£650,000	650,000	
Key Route Bus - Rotherham to Chapelton (site 11)	Desirable	Capital	£1,150,000	£0		£1,150,000	1,150,000	
Sub total Transport			£14,535,000	£5,100,000		£9,435,000	£9,435,000	
(B) EDUCATION								
Bassingthorpe Farm - new primary and nursery	Essential	Capital	£5,500,000	£0	£0	£5,500,000		£5,500,000
Bassingthorpe Farm - secondary extension	Essential	Capital	£1,400,000	£0	£0	£1,400,000		£1,400,000
Dinnington, Anston & Laughton Common - primary extension	Essential	Capital	£200,000	£100,000		£100,000	£100,000	
Dinnington, Anston & Laughton Common - secondary extension	Essential	Capital	£300,000	£150,000		£150,000	£150,000	
Maltby - Primary extension	Essential	Capital	£928,000	£464,000		£464,000	£464,000	
Bramley, Wickersley & Ravenfield - primary extension	Essential	Capital	£1,160,000	£580,000		£580,000	£580,000	
Bramley, Wickersley & Ravenfield - secondary extension	Essential	Capital	£1,160,000	£580,000		£580,000	£580,000	
Wales & Kiverton Park -	Essential	Capital	£232,000	£116,000		£116,000	£116,000	

Infrastructure Schedule - July2013 update	Priority	Capital or revenue?	Known gross cost	Reasonably anticipated funding via mainstream / public agency	already collected / agreed towards this cost	CIL Infrastructure Funding Gap	Regs 123 list CIL	Regs 123 list s106
primary extension								
Wales & Kiverton Park - secondary extension	Essential	Capital	£232,000	£116,000		£116,000	£116,000	
Catcliffe, Treeton & Orgreave - secondary extension	Essential	Capital	£232,000	£116,000		£116,000	£116,000	
Rotherham Central schools	Essential	Capital	£4,000,000	£2,000,000		£2,000,000	£2,000,000	
Special education needs	Essential	Capital	£220,000	£0		£220,000	£220,000	
Sub total Education			£15,564,000	£4,222,000		£11,342,000	£4,442,000	£6,900,000
(C) HEALTH								
Bassingthorpe Farm - new surgery	Essential	Capital	£2,000,000	£1,000,000		£1,000,000	1,000,000	
Rest of Rotherham - redevelopment of Dalton surgery	Essential	Capital	£2,000,000	£1,000,000		£1,000,000	1,000,000	
Dinnington, Anston & Loughton Common - new health centre	Essential	Capital	£3,500,000	£1,750,000		£1,750,000	1,750,000	
Catcliffe, Orgreave & Treeton - redevelopment of Treeton	Essential	Capital	£2,000,000	£1,000,000		£1,000,000	1,000,000	
Sub total Health			£9,500,000	£4,750,000		£4,750,000	4,750,000	£0
(D) RECREATION								
Children's Play	Desirable	Capital	£7,363,155	£5,154,209		£2,208,947	2,087,496	£2,087,496
pathworks	Desirable	Capital	£1,026,890	£718,823		£308,067		
fencing gates and access controls	Desirable	Capital	£1,329,615	£930,731		£398,885		
MUGAs (including lighting)	Desirable	Capital	£1,408,388	£985,871		£422,516		

Rotherham Infrastructure Schedule - July2013 update	Priority	Capital or revenue?	Known gross cost	Known / reasonably anticipated funding via mainstream / public agency	S106 already collected / agreed towards this cost	CIL Infrastructure Funding Gap	Regs 123 list CIL	Regs 123 list s106
Youth Shelters	Desirable	Capital	£106,950	£74,865		£32,085		
BMX/Skate	Desirable	Capital	£569,025	£398,318		£170,708		
Local Sports Facilities	Desirable	Capital	£661,380	£462,966		£198,414		
Lighting/CCTV	Desirable	Capital	£364,555	£255,189		£109,367		
General Landscape/Environment	Desirable	Capital	£376,643	£263,650		£112,993		
Project Development	Desirable	Capital	£103,375	£72,363		£31,013		
Allotments	Desirable	Capital	£606,664	£424,665		£181,999		
Strategic parks, sports, GI	Desirable	Capital	£9,333,750	£7,467,000		£1,866,750	£1,866,750	
Sub total Recreation			£23,250,389	£17,208,648		£6,041,742	3,954,246	£2,087,496
(E) LIBRARY & COMMUNITY								
Bassingthorpe Farm - redevelopment of Greasborough Library	Desirable	Capital	£496,800	£248,400		£248,400	248,400	
Rest of Rotherham - various	Desirable	Capital	£393,300	£196,650		£196,650	196,650	
Dinnington, Anston & Laughton Common - extension	Desirable	Capital	£107,640	£53,820		£53,820	53,820	
Swinton & Kilnhurst - extension	Desirable	Capital	£60,548	£30,274		£30,274	30,274	
Bramley, Wickersley & Ravenfield - extension	Desirable	Capital	£94,185	£47,093		£47,093	47,093	
Maltby & Hellaby - refurbishment	Desirable	Capital	£80,730	£40,365		£40,365	40,365	
Aston, Aughton & Swallownest - refurbishment	Desirable	Capital	£60,548	£30,274		£30,274	30,274	
Wales & Kiverton Park - refurbishment	Desirable	Capital	£40,365	£20,183		£20,183	20,183	

Rotherham Infrastructure Schedule - July 2013 update	Priority	Capital or revenue?	Known gross cost	Known / reasonably anticipated funding via mainstream / public agency	S106 already collected / agreed towards this cost	CIL Infrastructure Funding Gap	Regs 123 list CIL	Regs 123 list s106
Thurcroft - refurbishment	Desirable	Capital	£33,638	£16,819		£16,819	16,819	
Community building facilities - various	Desirable	Capital	£1,276,330	£638,165		£638,165	638,165	
Sub total Libraries and Community			£2,644,084	£1,322,042		£1,322,042	1,322,042	£0
(F) EMERGENCY, WASTE and FLOOD DEFENCE								
Expansion of existing police stations at Dinnington and Wath	Essential	Capital	£500,000	£250,000		£250,000	250,000	
Fire for Rest of Rotherham and Bassingthorpe Farm	Essential	Capital	£3,000,000	£1,500,000		£1,500,000	1,500,000	
Rotherham Renaissance Flood Defence Line	Essential	capital	£15,000,000	£0		£15,000,000	15,000,000	
Waste collection and disposal	Essential	Capital	£1,418,258	£709,129		£709,129	709,129	
Sub total Emergency, Waste and Flood Defence			£19,918,258	£2,459,129		£17,459,129	17,459,129	
TOTAL INFRASTRUCTURE			95,972,947	38,499,819		57,473,129	48,485,633	8,987,496

Next Step

- Consultation on 'Preliminary Draft Charging Schedule'
 - 5th August – 7th October
- Web based consultation.
 - Targeted at infrastructure providers, landowners, agents, developers, adjacent local authorities, parish councils ('meaningful proportion' – neighbourhood fund) and general public.

Community Infrastructure Levy Timetable

Stage	Date	Outcomes
<ul style="list-style-type: none"> • Evidence Gathering. 	September 2011 – June 2013	<ul style="list-style-type: none"> • Infrastructure Delivery Study. • Whole Plan Viability Study. • CIL Viability Report.
<ul style="list-style-type: none"> • Preparation of a Preliminary Draft Charging Schedule. 	May – July 2013	<ul style="list-style-type: none"> • Preliminary Draft Charging Schedule.
<ul style="list-style-type: none"> • Statutory consultation on Preliminary Draft Charging Schedule (6 weeks). 	August – October 2013	<ul style="list-style-type: none"> • Stakeholder input and Council response.
<ul style="list-style-type: none"> • Statutory consultation on Draft Charging Schedule (6 weeks consultation). 	January – February 2014	<ul style="list-style-type: none"> • Stakeholder input and Council response.
<ul style="list-style-type: none"> • Draft Charging Schedule Submitted to Planning Inspectorate. 	April 2014	<ul style="list-style-type: none"> • Submission of Draft Charging Schedule to Planning Inspectorate.
<ul style="list-style-type: none"> • Independent Examination. 	June 2014	<ul style="list-style-type: none"> • Independent examination of a Draft Charging Schedule.
<ul style="list-style-type: none"> • Council Approval. 	September 2014	<ul style="list-style-type: none"> • The council approves a Charging Schedule and begins collecting the levy.