

West Dorset, Weymouth and Portland Local Plan Examination

Hearing Statement for Community Infrastructure Levy



Prepared by West Dorset District Council and
Weymouth & Portland Borough Council

November 2014

Agenda Item 1a: Can the Council confirm it has prepared its Charging Schedule in accordance with the statutory procedures in the Planning Act 2008 and the CIL regulations?

- 1.1 Yes, the councils have prepared the charging schedules in accordance with statutory procedures in the Planning Act 2008 and CIL regulations April 2010 (as amended). The Preliminary Draft Charging Schedules (CD/CIL4) were prepared in accordance with CIL Regulation 15 and subject to consultation for a six week period from 15th June to 27th July 2012. A summary of consultation (CD/CIL5) was prepared in November 2012.
- 1.2 The councils took into account these representations and prepared Draft Charging Schedules (CD/CIL2) in accordance with CIL regulation 16. The Draft Charging Schedules were subject to consultation for a 4 week period from the 20th November to 22nd December 2012. Evidence prepared on the councils behalf was also subject to consultation during these periods.
- 1.3 The Draft Charging Schedules, regulation 123 lists and background evidence were submitted to the Planning Inspectorate on the 24th June 2013 alongside the Local Plan (CD/SP2).
- 1.4 In June 2013, notice was given of changes to the charging schedule for West Dorset (CD/CIL16) in accordance with CIL regulations 11 and 19. Comments were invited by the 22nd July 2013 and responses were sent to the Planning Inspector.

Agenda Item 1b: Are there any changes proposed to the Councils' Regulation 123 List?

- 1.5 The councils have amended the regulation 123 lists for each authority to clarify the types of infrastructure that will be funded wholly or partly through CIL. The amended regulation 123 lists are shown in Appendix 1 of this statement.
- 1.6 The amended regulation 123 lists are now structured so they refer to key infrastructure themes providing greater consistency with the Infrastructure Delivery Plan (CD/CIL18). They also list specific priority projects for delivery between 2014-2017.
- 1.7 The regulation 123 lists have also been amended to list strategic sites which are exempt from a CIL charge.

Item 2a: Is there sufficient information to confirm the size of the funding gap?

- 2.1 The IDP provides detailed evidence of the infrastructure required to support growth across the area.
- 2.2 Summaries of future funding requirements for each authority area are provided in tables 1 and 2 below.

Table 1: Funding Requirements and Anticipated Section 106 and CIL Receipts (Weymouth & Portland)

Period	Approximate infrastructure funding requirement	Funding secured including Section 106	Funding gap	Estimated CIL contribution
2014 – 2017	£1,300,000	£900,000	£400,000	£160,000
2018 – 2031	£74,000,000	£300,000	£73,700,000	£14,000,000

Table 2: Funding Requirements and Anticipated Section 106 and CIL Receipts (West Dorset)

Period	Approximate infrastructure funding requirement	Funding secured including Section 106	Funding gap	Estimated CIL contribution
2014 – 2017	£26,500,000	£20,000,000	£6,500,000	£1,100,000
2018 – 2031	£107,000,000	£7,000,000	£100,000,000	£2,000,000

- 2.3 The infrastructure funding requirement substantially exceeds current available funding through Section 106 payments. Even after the anticipated CIL receipts are taken into account, a significant funding shortfall will remain.
- 2.4 The councils will continue to consult and work in collaboration with partners to confirm the cost of key infrastructure and the size of the funding gap. This will be particularly important in areas such as schools provision and flood defence which have high delivery costs.
- 2.5 The councils will continue to work with other partner organisations to identify additional external sources of funding to fill the remaining gap.

Item 2b: How representative and comprehensive are the site types and land values on which the viability assessment is based?

- 2.6 The councils’ comprehensive evidence base covers a broad range of types and scales of residential development. When considered collectively, the evidence base

is fully representative of the spread of development identified in the councils' housing trajectory.

- 2.7 The viability studies consider a wide range of land values, which incorporates adjusted Valuation Office Agency data for residential land and greenfield land values which reflect site servicing requirements. In addition, the strategic site testing considers the viability of developments on a range of sites, including existing residential, greenfield/woodland sites, storage depots, office/retail development, vacant land adjacent to existing buildings, garden plots, council offices, paddock land and vehicle storage. This covers the full range of land that the Council expects to come forward for development over the life of the two charging schedules.

Item 2c: Issues have been identified over some assumptions used in the Viability Appraisal (VA) such as external work costs, allowances for sustainable building and increases in future sales and build costs. How far do these criticisms undermine the conclusion of the VA?

- 2.8 Representations from WYG, Tetlow King and Savills raise questions and un-evidenced assertions in relation to the following appraisal inputs:
- External works
 - Strategic sites in Chickerell and Crossways
 - Code for Sustainable Homes
 - Potential increases in future values and build costs
- 2.9 WYG questioned the setting of a CIL rate on major strategic sites in Chickerell and Crossways, as the initial viability testing (CD/CIL5 and CD/CIL6) indicated that sites in both these settlements were unviable before CIL was applied. However, this testing was based on an assumption that the rented element of the affordable housing was provided as social rent. Since this evidence was prepared, the councils adopted the affordable rent tenure, and re-testing of viability in these two settlements with this tenure demonstrates that they are viable (CD/CIL11).
- 2.10 WYG assert (without evidence) that the 15% allowance for external works is insufficient and should be replaced with a 25% figure. BNP Paribas Real Estate (BDPPRE) has worked on a significant volume of live developments and these sites typically incur external works costs of between 10% to 15%. This figure has also been extensively adopted by other charging authorities in preparation of viability evidence and has not been challenged.
- 2.11 The appraisals incorporate an allowance of 4% to meet the extra-over costs for achieving Code for Sustainable Homes ('CSH') level 4. WYG have asserted that the

Council should test viability with the 46% cost uplift identified by Cyril Sweett in its 2010 study for DCLG for meeting CSH level 6. The councils have not accepted this point, as both the date and requirement for future sustainability requirements in currently uncertain. Furthermore, more recent research by Zero Carbon Hub ('Cost analysis: meeting the zero carbon standard', February 2014 identifies that the costs of achieving zero carbon homes is as follows:

- Detached house: £76 per square metre
- Semi-detached house: £62 per square metre
- Terraced house: £57 per square metre
- Flats: £43 per square metre

- 2.12 When taking the £925 per square metre build costs for houses in the appraisals as a base cost, the Zero Carbon Hub costs equate to between 6.1% to 8.2% of base costs. Thus the allowance of 6% of base costs already factored into the Viability Study is capable of meeting these costs in most cases.
- 2.13 Finally, Savills commented on the assumptions applied by BNPPRE in their sensitivity analyses (i.e. a 10% growth in sales values and 5% inflation in costs). Savills suggest that their own research identifies “a flat or even falling house price market for mainstream housing over the next 5 years”. This was incorrect at the time this comment was made and remains so. At the time (Quarter 1 of 2013), Savills were forecasting 15.5% growth in mainstream markets in the south west.
- 2.14 Notwithstanding the comments above, the additional sensitivity analysis by BNPPRE were just that – sensitivity analysis – and they did not form the basis of their recommendations to the Council.
- 2.15 Since the BNPPRE viability assessments were undertaken, Land Registry analysis indicates that sales values in the area have increased by 11.45%, exceeding the 10% BNPPRE assumed in their sensitivity.
- 2.16 The councils and BNPPRE have considered all the comments received on inputs to the viability assessments and concluded that they do not contain any evidence that would require any changes. The comments were almost entirely un-evidenced assertions and do not constitute evidence that might undermine the findings and proposed CIL rates.

Item 3a: Has account been taken of factors influencing the viability of residential development and retirement schemes to determine whether this justifies different charging rates.

- 3.1 The councils and BNPPRE considered the representation submitted by McCarthy & Stone. This representation noted the different characteristics of retirement schemes, as follows:
- Different net to gross ratios for retirement schemes in comparison to general purpose residential schemes;
 - Extended sales periods;
 - Higher profits might be required to secure funding;
 - Higher marketing costs.
- 3.2 In its response to the representation, the councils invited McCarthy & Stone to submit evidence in relation to the points above, most notably assertions regarding profit and marketing costs.
- 3.3 The councils have not received any additional evidence that might support a differential charging rate for retirement housing.
- 3.4 However, the Council has considered the contents of a document produced by the 'Retirement Housing Group' (RHG) which notes that sales values for retirement schemes significantly out-perform those of general purpose residential developments¹.
- 3.5 In addition, retirement housing schemes are typically built to a higher density in comparison to other types of residential development, due to lower amenity and car parking requirements. This results in a much improved viability profile in comparison to other types of residential development.
- 3.6 In the absence of any additional evidence from McCarthy & Stone, BNPPRE have tested retirement housing schemes using the assumptions set out below:
- Sales values of £3,590 per square metre, representing a 10% new build premium over the £3,264 per square metre achieved on the four most recent sales at Swannery Court, a retirement scheme in Weymouth which was developed by McCarthy & Stone in 2000.
 - Gross to net ratios ranging from 85% to 75%, with the lower end of this range representing typical retirement housing schemes.

¹ Retirement Housing Group 'Community Infrastructure Levy and Sheltered Housing/Extra Care Developments: A briefing note on viability prepared by Three Dragons' May 2013

- Build costs of £1,142 per square metre plus 10% for external works, based on BCIS costs for Weymouth & Portland for flats and sheltered housing. Code for Sustainable Homes level 4 allowance of 6% of build costs.
- Sales period of 3 years following practical completion, reflective of the advice in the RHG paper.
- Density of 120 dwellings per hectare, reflective of a flatted development.
- 35% of units provided as affordable housing, two thirds of which provided as affordable rent and one third as shared ownership.
- CIL of £93 per square metre, with an assumption that there is no existing floorspace to be offset against new floorspace. This clearly represents a worst case scenario.

3.7 The results of the appraisals are attached as Appendix 2. These results show that a retirement housing scheme with a gross to net ratio of as little as 75% would generate a residual land value of £0.964 million per hectare. This should be sufficient to incentivise landowners to release sites for development. At a gross to net ratio of 77.5%, the residual land value increases to £1.32 million per hectare, indicating that a small improvement in development efficiency would provide an even greater land value.

3.8 In the event that viability issues emerge, the councils could consider alternative tenure mixes of affordable housing. For example, a 50/50 split would increase the residual land value generated by a scheme with a 75% gross to net ratio from £0.964 million to £1.35 million. A 33/67 split (rented to shared ownership) would increase the residual land value to £1.72 million.

3.9 In light of these results, the councils conclude that levying the proposed CIL will not threaten the viability of retirement housing.

Issue 3b: Has the VA assessed potential differences between greenfield and previously developed land.

3.10 The BNPPRE viability assessments take account of the differences between greenfield and previously developed land through the different benchmark land values adopted for each respective type of development.

3.11 Schemes assumed to be developed on previously developed land have a higher benchmark land value, reflecting the likelihood of a more valuable existing use in comparison to agricultural value (the most likely existing use value for greenfield sites).

3.12 The BNPPRE viability study (CD/CIL9) incorporates additional allowances for major strategic development on greenfield sites reflecting the additional infrastructure

required to support developments of significant scale. These allowances equate to £20,000 per unit which is approximately double the amount typically incurred on strategic sites.

Issue 3c: Will proposed rates threaten the delivery of affordable housing?

- 3.13 The councils need to balance their requirements for contributions towards infrastructure against the need to secure contributions towards affordable housing needs, either through on-site provision or a payment in lieu. This balance has always existed under the current regime of S106. This does not change after adoption of CIL, albeit that the ability to vary S106 payments in certain circumstances ceases to be available.
- 3.14 However, the councils cannot reduce contributions towards infrastructure if this makes development (either individual schemes or collectively) unacceptable in terms of the provision of essential supporting infrastructure.
- 3.15 Notwithstanding the comments above, all the Viability Assessments undertaken by BNPPRE incorporate the councils' affordable housing requirements in full. This includes (where appropriate) payments in lieu on small sites that are not required to deliver on-site contributions.
- 3.16 The results of the appraisals indicate that the full range of developments that are anticipated to come forward over the plan period are viable while also making significant contributions towards infrastructure requirements.
- 3.17 The proposed CIL rates are significantly lower than the maximum rates indicated by the appraisals, indicating that there is significant 'head-room' that will allow developments to cope with 'exceptional' circumstances.
- 3.18 The councils are therefore confident that the proposed CIL has been set at a level that will not put its affordable housing requirements at significant risk.

Issue 3d: Are changes to the charging zones needed for reasons of accuracy/legibility?

- 3.19 Five strategic sites are to be treated as zero rated for CIL purposes. These are listed in paragraph 6.2.3 of the submission plan (CD/SP2). The councils have prepared additional maps (Appendix 3) to show the delineation of the charging areas/CIL exemptions at these sites.

Issue 4a: Has an appropriate balance between funding levels and viability been achieved i.e. are rates a reasonable proportion of development costs?

- 4.1 In West Dorset, the proposed CIL rates are £100 per square metre for residential development (excluding essential rural workers dwellings) and nil for all other uses. The proposed CIL rate for residential development amounts to just 4.02% of total current development costs.
- 4.2 In Weymouth & Portland, the proposed CIL rates are £93 per square metre for residential development throughout the Borough except Portland (excluding essential rural workers dwellings) and £80 per square metre for the same types of development in Portland. A nil rate is proposed for all other uses. The proposed CIL rate for residential development amounts to just 3.27% of total current development costs.
- 4.3 Both CIL rates are lower than the 'rule of thumb' of 5% of development costs typically accepted at CIL examinations.
- 4.4 In the council's judgement, the proposed CIL rates represent a sufficiently modest proportion of overall costs that they do not amount to a threat to delivery of the scale of housing identified in the development plan. The proposed CIL rates strike an appropriate balance between the need to meet part of the infrastructure funding gap and avoiding adversely impacting on the viability of development.

Issue 4b: What are the likely risks to plan delivery from the proposed level of CIL?

- 4.5 The councils' approach sets an appropriate balance by raising funds to support infrastructure in the plan area and ensuring that the levy imposed on development does not render it economically unviable.
- 4.6 The councils recognise that if the charges are too high then development will not come forward. Independent viability advice has been taken as part of the development of this work, and local developers and stakeholder were consulted for their local knowledge of development viability. Collectively this approach reduces the risks to plan delivery.

Issue 5a: What if any, alterations are needed to the Charging Schedule to ensure it is clear and easily understandable?

- 5.1 For clarity, the councils have listed the zero rated CIL strategic sites in the appropriate charging tariff and these are shown in Appendix 4. This amendment, together with the amendments to the CIL maps referred in paragraph 3.19 will ensure that the charging schedule is clear and easily understandable.

Issue 5b: Any other issues?

5.2 No

APPENDIX 1 – AMENDED REGULATION 123 LISTS

West Dorset District Council

Community Infrastructure Levy Draft Regulation 123 List

The Regulation 123 list provides details of infrastructure to be funded wholly or partly through the Community Infrastructure Levy. Projects identified within the list are largely anticipated for delivery during 2014-2017. Schedules 1A and 2A of the Council's Infrastructure Delivery Plan (IDP) provide more details about these projects.

The following infrastructure will be funded wholly or partly through CIL:

- Green Infrastructure and recreation provision serving the needs of the wider area.
- Culture & Leisure Facilities – including provision for community and public buildings, youth centres and children's facilities. Identified projects include:
 - Chickerell Skate Park
 - Lyme Regis Skate Park
 - Dorset County Museum
 - Lyme Regis Museum extension
 - St. Osmunds Community Sports Centre: tennis
 - Bridport Leisure Centre- pool circulation system
- Waste Management Facilities
- Transport, including highway improvements, bus services, walking and cycle improvements. Identified projects include:
 - Bridport strategic cycle enhancements
 - Bridport-Chideock cycleway
 - Sherborne strategic cycle enhancements
 - Dorchester West Station: disabled access
 - Heart of Wessex Community Rail projects
- Education and Training Facilities – provision for which the Local Education Authority has a statutory responsibility including early years, primary and secondary. Identified projects include:
 - Colfox School- replacement ATP
 - Beaminster School- swimming pool
- Healthcare facilities
- Emergency service facilities
- Flood Mitigation and Coast Protection schemes. Identified projects include:
 - Lyme Regis Coastal Defence Scheme
- Utilities
- Poole Harbour Nutrient Management
 - Poole Harbour SPA mitigation

- Dorset Heathlands Mitigation
 - Special Protection Area mitigation from development in the Heathland Mitigation zone in the south-east of the district (where this is not provided as part of a development site)
- Public Realm including offsite provision / enhancements

Infrastructure required for the larger, more complex strategic sites and which is necessary to enable the grant of planning permission will be secured through a planning obligation and as such are excluded from a CIL charge.

Weymouth & Portland Borough Council

Community Infrastructure Levy Draft Regulation 123 List

The Regulation 123 list provides details of infrastructure to be funded wholly or partly through the Community Infrastructure Levy. Projects identified within the list are largely anticipated for delivery during 2014-2017. Schedules 1A and 2A of the Council's Infrastructure Delivery Plan (IDP) provide more details about these projects.

The following infrastructure will be funded wholly or partly through CIL:

- Green Infrastructure and recreation provision serving the needs of the wider area.
- Culture & Leisure Facilities – including provision for community and public buildings, youth centres and children's facilities. Identified projects include:
 - The Front Skate Park Weymouth
 - Osprey Sports Centre (capacity and access enhancements)
- Waste Management Facilities
- Transport, including highway improvements, bus services, walking and cycle improvements.
- Education and Training Facilities – provision for which the Local Education Authority has a statutory responsibility including early years, primary and secondary.
- Healthcare facilities
- Emergency service facilities
- Flood Mitigation and Coast Protection schemes. Identified projects include:
 - Weymouth Town Centre Flood Defence
 - Weymouth Harbour Wall Maintenance
- Utilities
- Public Realm including offsite provision / enhancements

Infrastructure required for the larger, more complex strategic sites and which is necessary to enable the grant of planning permission will be secured through a planning obligation and as such are excluded from a CIL charge.

APPENDIX 2 – LOCAL PLAN AND CIL VIABILITY MODEL

LOCAL PLAN AND CIL VIABILITY MODEL

This is input source box for reference info that appears on all sheets

Local Authority	Weymouth & Portland CIL 2014
Area(s)	Retirement housing
Author	
Date	17 November 2014
Reference	

Local Plan Test

Values: **1 (vlookup)**
 Sales values **A** 3,590 psm

4 (vlookup)

Affordable housing percentage	35%
of which social rented	33%
of which intermediate	67%

Code for Sustainable Homes **Level**
 Cost allowance - all tenures (% of base costs) **6%** **1 (vlookup)**

Grant available check box

CIL rate **6**

CIL rates	Rate per sqm	
1	£0	1
2	£10	2
3	£25	3
4	£50	4
5	£75	5
6	£93	6
7	£125	7
8	£150	8
9	£175	9
10	£200	#
11	£225	#
12	£250	#
13	£275	#
14	£300	#
15	£325	#
16	£350	#

Typology description	Residual Land Values	Total units	Total floor area	Private floor area	Ave unit size	CIL as % of dev costs
68 units - 85% gross to net	£1,706,394	68	3,536	2,298	52	2.7%
68 units - 82.5% gross to net	£1,543,995	68	3,536	2,298	52	2.8%
68 units - 80% gross to net	£1,369,874	68	3,536	2,298	52	2.9%
68 units - 77.5% gross to net	£1,184,071	68	3,536	2,298	52	3.0%
68 units - 75% gross to net	£983,128	68	3,536	2,298	52	3.2%
0	-£63,983	0	-	-	#DIV/0!	0.0%
0	-£63,983	0	-	-	#DIV/0!	0.0%
0	-£63,983	0	-	-	#DIV/0!	0.0%
0	-£63,983	0	-	-	#DIV/0!	0.0%

Benchmark Land Values

BLV no	Description	£s per ha
BLV1	Secondary employment	£750,000
BLV2		
BLV3		
BLV4		

3 (vlookup)

Growth	
Value growth	0.00%
Cost growth	0.00%

LOCAL PLAN AND CIL VIABILITY MODEL

Local Authority	Weymouth & Portland CIL 2014
Area(s)	Retirement housing
Author	0
Date	17 November 2014
Reference	0

SITE TYPOLOGIES

Total number of units identified from Site Details

Typology descriptions and total units	
Description	No of units
68 units - 85% gross to net	68
68 units - 82.5% gross to net	68
68 units - 80% gross to net	68
68 units - 77.5% gross to net	68
68 units - 75% gross to net	68
Total number of units identified	340

UNIT MIX enter for each typology identified

Flats (percent of units)				Houses (percent of units)			Totals
1 bed flat	2 bed flat	3 bed flat	4 bed flat	2 bed house	3 bed house	4 bed house	
65.00%	35.00%						100%
65.00%	35.00%						100%
65.00%	35.00%						100%
65.00%	35.00%						100%
65.00%	35.00%						100%
							0%
							0%
							0%
							0%

DESCRIPTION
(for results sheet)

Flats
Flats
Flats
Flats
Flats
Flats
Flats
Flats
Flats
Flats

DENSITY AND NET SITE AREA

Units per ha	Gross to net
120	100%
120	100%
120	100%
120	100%
120	100%
120	100%
120	100%
120	100%
120	100%
120	100%

UNIT SIZES enter for each unit type (net sellable area) - square metres

	Flats				Houses		
	1 bed flat	2 bed flat	3 bed flat	4 bed flat	2 bed house	3 bed house	4 bed house
Private	45.0 sqm	65.0 sqm	86.0 sqm	90.0 sqm	83.0 sqm	96.0 sqm	130.0 sqm
Affordable	45.0 sqm	65.0 sqm	86.0 sqm	90.0 sqm	83.0 sqm	90.0 sqm	110.0 sqm

Sales and Affordable Housing Values

LOCAL PLAN AND CIL VIABILITY MODEL

Local Authority	Weymouth & Portland CIL 2014
Area(s)	Retirement housing
Author	0
Date	17 November 2014
Reference	0

SALES AND AFFORDABLE HOUSING VALUES

VALUE BANDS for private sales

Sub Market	£ per sq metre
Weymouth	£3,590

GROUND RENTS from flats (£s per annum)

	Private	Affordable
One bed	£150	£0
Two beds	£200	£0
Three beds	£250	£0
Four beds	£300	£0
Capitalisation rate		5.00%

Investment value

	Private	Affordable
One bed	£3,000	£0
Two beds	£4,000	£0
Three beds	£5,000	£0
Four beds	£8,000	£0

Select affordable value option from drop down box Option 2: Capital values calculated from net rents & yields ▼

AFFORDABLE HOUSING CAPITAL VALUES (price paid to developer)

Option 1 User defined capital values per unit

	Social rent			NBHB		
	Capitalised rent per unit	Indicative HCA funding per unit	Value per unit	Equity + rent	Indicative HCA funding per unit	Value per unit
One bed flats	£78,000	£0	£78,000			£0
Two bed flats	£95,000	£0	£95,000			£0
Three bed flats	£123,000	£0	£123,000			£0
Four bed flats	£132,000	£0	£132,000			£0
Two bed house	£95,000	£0	£95,000			£0
Three bed house	£123,000	£0	£123,000			£0
Four bed house	£132,000	£0	£132,000			£0

Option 2 Capital values for affordable housing calculated from net rents & yield assumption

	Social rent					NBHB						
	Net Target rent per annum	Yield	Capital value	Indicative unit funding	Value per unit	Average market value	% of equity sold	Value of equity sold	Rent (% of retained equity)	Rent per annum	Yield	Capital value of retained equity
One bed flats	£4,000	5.00%	£80,000	£0	£80,000	£161,560	50%	£80,775	2.75%	£2,221	6.00%	£37,022
Two bed flats	£5,000	5.00%	£100,000	£0	£100,000	£233,360	50%	£116,675	2.75%	£3,209	6.00%	£53,478
Three bed flats	£5,110	5.00%	£102,200	£0	£102,200	£308,740	50%	£154,370	2.75%	£4,245	6.00%	£70,753
Four bed flats	£8,448	5.00%	£128,960	£0	£128,960	£323,100	50%	£161,550	2.75%	£4,443	6.00%	£74,044
Two bed house	£4,918	5.00%	£98,360	£0	£98,360	£207,070	50%	£148,985	2.75%	£4,097	6.00%	£68,285
Three bed house	£5,356	5.00%	£107,120	£0	£107,120	£323,100	50%	£161,550	2.75%	£4,443	6.00%	£74,044
Four bed house	£8,448	5.00%	£128,960	£0	£128,960	£304,900	50%	£197,450	2.75%	£5,430	6.00%	£90,498

Costs, s106, CIL, Timings, Other costs, Inflation

LOCAL PLAN AND CIL VIABILITY MODEL

Local Authority	Weymouth & Portland CIL 2014
Area(s)	Retirement housing
Author	0
Date	17 November 2014
Reference	0

BUILD COSTS

TIMINGS for cash flow

PLANNING OBLIGATIONS / CIL

Typology	Build costs (flats) per gross sq m	Build costs (houses) per gross sq m	External works and other costs	Gross to net adjustment for flats	Build start	Build period	Sales period	Sales period start	S106 payments		CIL Charges			Fees	
					Quarters	Quarters	Quarters	Quarters from start on site	£s per unit all tenures	Quarter paid	£s p sq m private sales only	Instal-ment 1 - Qtr paid	Instal-ment 2 - Qtr paid	Instal-ment 3 - Qtr paid	% of build cost
68 units - 85% gross to net	£1,142		£114	85.0%	2	6	12	8	£1,000	3	£93	1	3	6	10%
68 units - 82.5% gross to net	£1,142		£114	82.5%	2	6	12	8	£1,000	3	£93	1	3	6	10%
68 units - 80% gross to net	£1,142		£114	80.0%	2	6	12	8	£1,000	3	£93	1	3	6	10%
68 units - 77.5% gross to net	£1,142		£114	77.5%	2	6	12	8	£1,000	3	£93	1	3	6	10%
68 units - 75% gross to net	£1,142		£114	75.0%	2	6	12	8	£1,000	3	£93	1	3	6	10%
0	£1,142		£114	72.5%	2	6	12	8	£1,000	3	£93	1	3	6	10%
0	£1,142		£114	70.0%	2	6	12	8	£1,000	3	£93	1	3	6	10%
0	£1,142		£114	67.5%	2	6	12	8	£1,000	3	£93	1	3	6	10%
0	£1,142		£114	65.0%	2	6	12	8	£1,000	3	£93	1	3	6	10%

OTHER COSTS

Developer return % GDV	Private	20.00%	From test variables
	Affordable	6.00%	
Code for Sustainable Homes	All tenures	6%	
Contingency		5%	
Marketing costs % of sales values		6.00%	
Legal Fees % of GDV		0.50%	
Site acquisition costs % land value		5.80%	
Development Finance		7.00%	

INFLATION

Inflation	Sales	Build
Year 1		0.0%
Year 2		0.0%
Year 3		0.0%
Year 4		0.0%
Year 5		0.0%
Year 6		0.0%
Year 7		0.0%

LOCAL PLAN AND CIL VIABILITY MODEL

Local Authority	Weymouth & Portland CIL 2014
Area(s)	Retirement housing
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Reference	

DEVELOPMENT PERIOD CASHFLOW

dev hectare	0.000
dev acreage	0.000

	Revenue per Qtr	Project Totals	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 5	Qtr 6	Qtr 7	Qtr 8	Qtr 9	Qtr 10	Qtr 11	Qtr 12	Qtr 13	Qtr 14	Qtr 15	
			Year 1	Year 1	Year 1	Year 1	Year 2	Year 2	Year 2	Year 2	Year 2	Year 3	Year 3	Year 3	Year 3	Year 4	Year 4	Year 4
			1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	
Revenue																		
68 units - 75% gross to net	£ 8,251,256	£ 8,251,256	0	0	0	0	0	0	0	687,605	687,605	687,605	687,605	687,605	687,605	687,605	687,605	
Investment value of ground rents	£ 148,070	£ 148,070	0	0	0	0	0	0	0	12,339	12,339	12,339	12,339	12,339	12,339	12,339	12,339	
GDV before costs of sale	Sub Total	88,389,329	0	0	0	0	0	0	0	699,944	699,944	699,944	699,944	699,944	699,944	699,944	699,944	
Costs of Sale																		
Marketing costs	6.00%	-603,960	0	0	0	0	0	0	0	-41,997	-41,997	-41,997	-41,997	-41,997	-41,997	-41,997	-41,997	
Legal fees	0.50%	-641,997	0	0	0	0	0	0	0	-3,500	-3,500	-3,500	-3,500	-3,500	-3,500	-3,500	-3,500	
Sub Total		-6645,858	0	0	0	0	0	0	0	-45,496	-45,496	-45,496	-45,496	-45,496	-45,496	-45,496	-45,496	
Net commercial investment value																		
Retail A1-A5	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Retail A1-A5	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
B1 office	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
B2 Industrial	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
B8 storage	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
C1 Hotel	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
C2 resi institution	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
D1	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
D2	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total commercial value	Sub Total	89	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Speculative NDV																		
Affordable Housing Revenue																		
No fees on sale																		
68 units - 75% gross to net	£ 2,705,748	£ 2,705,748	0	450,958	450,958	450,958	450,958	450,958	450,958	0	0	0	0	0	0	0	0	
NDV	Total	10,669,118	0	450,958	450,958	450,958	450,958	450,958	450,958	745,440	745,440	745,440	745,440	745,440	745,440	745,440	745,440	
Standard Costs																		
68 units - 75% gross to net	£ 6,245,613	£ 6,245,613	0	1,040,936	1,040,936	1,040,936	1,040,936	1,040,936	1,040,936	0	0	0	0	0	0	0	0	
Retail A1-A5	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Retail A1-A5	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
B1 office	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
B2 Industrial	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
B8 storage	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
C1 Hotel	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
C2 resi institution	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
D1	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
D2	£ -	£ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contingency		£ 312,281	0	52,047	52,047	52,047	52,047	52,047	52,047	0	0	0	0	0	0	0	0	
Sub Total		6,667,894	0	1,092,982	1,092,982	1,092,982	1,092,982	1,092,982	1,092,982	0	0	0	0	0	0	0	0	
Other Costs																		
Professional fees	10.00%	£ 665,789	0	109,298	109,298	109,298	109,298	109,298	109,298	0	0	0	0	0	0	0	0	
Sub Total		666,789	0	109,298	109,298	109,298	109,298	109,298	109,298	0	0	0	0	0	0	0	0	

Community Infrastructure Levy Charging Schedule Examination – WDDC WPBC – 21 November 2014

CIL		
	CIL 68 units - 75% gross to net	£ 95,001
		£ 95,001
		£ 95,001
	Sub Total	
	Section 106 Costs 68 units - 75% gross to net	£ 68,000
	Sub Total	
Total Other Costs		Sub Total
Total Costs		
Developer's profit on GDV	% of GDV	20.00%
	% of GDV affordable	6%
Residual sum before interest		
Cumulative residual balance for interest calculation		
Interest		7.00%
Residual sum for quarter after interest		

Revenue per Qtr

Project Totals	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 5	Qtr 6	Qtr 7	Qtr 8	Qtr 9	Qtr 10	Qtr 11	Qtr 12	Qtr 13	Qtr 14	Qtr 15
	Year 1 1	Year 1 2	Year 1 3	Year 1 4	Year 2 1	Year 2 2	Year 2 3	Year 2 4	Year 3 1	Year 3 2	Year 3 3	Year 3 4	Year 4 1	Year 4 2	Year 4 3
£ 95,001	95,001	0	0	0	0	0	0	0	0	0	0	0	0	0	0
£ 95,001	0	0	95,001	0	0	0	0	0	0	0	0	0	0	0	0
£ 95,001	0	0	0	0	0	95,001	0	0	0	0	0	0	0	0	0
£ 286,002	95,001	0	95,001	0	0	95,001	0	0	0	0	0	0	0	0	0
£ 68,000	0	0	68,000	0	0	0	0	0	0	0	0	0	0	0	0
£ 68,000	0	0	68,000	0	0	0	0	0	0	0	0	0	0	0	0
£ 363,002	95,001	0	163,001	0	0	95,001	0	0	0	0	0	0	0	0	0
£ 7,668,886	85,001	1,202,281	1,366,281	1,202,281	1,202,281	1,202,281	1,202,281	0	0	0	0	0	0	0	0
£ -															
£ 1,789,056	0	0	0	0	0	0	0	149,088	149,088	149,088	149,088	149,088	149,088	149,088	149,088
£ 162,345	0	27,057	27,057	27,057	27,057	27,057	27,057	0	0	0	0	0	0	0	0
£ 1,041,032	-86,001	-778,380	-841,381	-778,380	-778,380	-878,381	-778,380	698,362	698,362	698,362	698,362	698,362	698,362	698,362	698,362
	-95,001	-874,934	-1,830,625	-2,638,945	-3,460,485	-4,390,462	-5,240,649	-4,730,008	-4,211,016	-3,683,636	-3,147,428	-2,602,553	-2,048,766	-1,485,922	-913,872
£ 681,791	-1,654	-14,310	-29,940	-43,160	-56,597	-71,807	-86,712	-77,360	-68,872	-60,245	-51,477	-42,655	-33,608	-24,302	-14,947
£ 1,461,163	-86,644	-792,890	-871,321	-821,640	-834,877	-846,187	-864,982	618,982	627,480	638,107	644,878	653,787	662,844	672,060	681,408

£ 1,043,880

Land Value	
per developable acre	#DIV/0!
per developable hectare	#DIV/0!

Residual land value	£ 1,043,880
Site acquisition costs	£ 60,532
MV (Residual sum available to offer for Development Opportunity)	£ 983,128

LOCAL PLAN AND CIL VIABILITY MODEL

Local Authority	Weymouth & Portland CL 2014
Area(s)	Retirement housing
Author	
Date	17 November 2014
Reference	

DEVELOPMENT PERIOD CASHFLOW

Dev hectareage	0.000
Dev acreage	0.000

			Revenue per Qtr				
			Qtr 16	Qtr 17	Qtr 18	Qtr 19	Qtr 20
			Year 4	Year 5	Year 6	Year 6	Year 6
			4	1	2	3	4
Revenue							
68 units - 75% gross to net	£ 8,251,256	£ 687,605	£ 8,251,256	687,605	687,605	687,605	687,605
Investment value of ground rents	£ 148,070	£ 12,339	£ 148,070	12,339	12,339	12,339	12,339
GDV before costs of sale	Sub Total		£8,399,326	699,944	699,944	699,944	699,944
Costs of Sale							
Marketing costs	6.00%		-£503,960	-£41,997	-£41,997	-£41,997	-£41,997
Legal fees	0.50%		-£41,997	-£3,500	-£3,500	-£3,500	-£3,500
Sub Total			-£545,957	-£45,496	-£45,496	-£45,496	-£45,496
Net commercial investment value	Sub Total		£7,853,370	745,440	745,440	745,440	745,440
Retail A1-A5	£ -	£ -	£ -	0	0	0	0
Retail A1-A5	£ -	£ -	£ -	0	0	0	0
B1 office	£ -	£ -	£ -	0	0	0	0
B2 Industrial	£ -	£ -	£ -	0	0	0	0
B8 storage	£ -	£ -	£ -	0	0	0	0
C1 Hotel	£ -	£ -	£ -	0	0	0	0
C2 resi institution	£ -	£ -	£ -	0	0	0	0
D1	£ -	£ -	£ -	0	0	0	0
D2	£ -	£ -	£ -	0	0	0	0
Total commercial value	Sub Total		£ 80	0	0	0	0
Speculative NDV			£ 7,863,370	745,440	745,440	745,440	745,440
Affordable Housing Revenue							
No fees on sale			£ -				
68 units - 75% gross to net	£ 2,705,748	£ 460,965	£ 2,705,748	0	0	0	0
NDV	Total		£ 10,668,118	745,440	745,440	745,440	745,440
Standard Costs							
68 units - 75% gross to net	£ 6,245,613	£ 1,040,935	£ 6,245,613	0	0	0	0
Retail A1-A5	£ -	£ -	£ -	0	0	0	0
Retail A1-A5	£ -	£ -	£ -	0	0	0	0
B1 office	£ -	£ -	£ -	0	0	0	0
B2 Industrial	£ -	£ -	£ -	0	0	0	0
B8 storage	£ -	£ -	£ -	0	0	0	0
C1 Hotel	£ -	£ -	£ -	0	0	0	0
C2 resi institution	£ -	£ -	£ -	0	0	0	0
D1	£ -	£ -	£ -	0	0	0	0
D2	£ -	£ -	£ -	0	0	0	0
Contingency			£ 312,281	0	0	0	0
Sub Total			£ 6,667,894	0	0	0	0
Other Costs							
Professional fees	10.00%		£ 655,789	0	0	0	0
Sub Total			£ 665,789	0	0	0	0

			Revenue per Qtr
CIL			
	CIL 58 units - 75% gross to net	£ 95,001	
		£ 95,001	
		£ 95,001	
		Sub Total	
	Section 108 Costs 58 units - 75% gross to net	£ 68,000	
		Sub Total	
Total Other Costs		Sub Total	
Total Costs			
Developer's profit on GDV	% of GDV	20.00%	
	% of GDV affordable	6%	
Residual Sum before interest			
Cumulative residual balance for interest calculation			
Interest		7.00%	
Residual Sum for quarter after interest			

Land Value	
per developable acre	#DIV/0!
per developable hectare	#DIV/0!

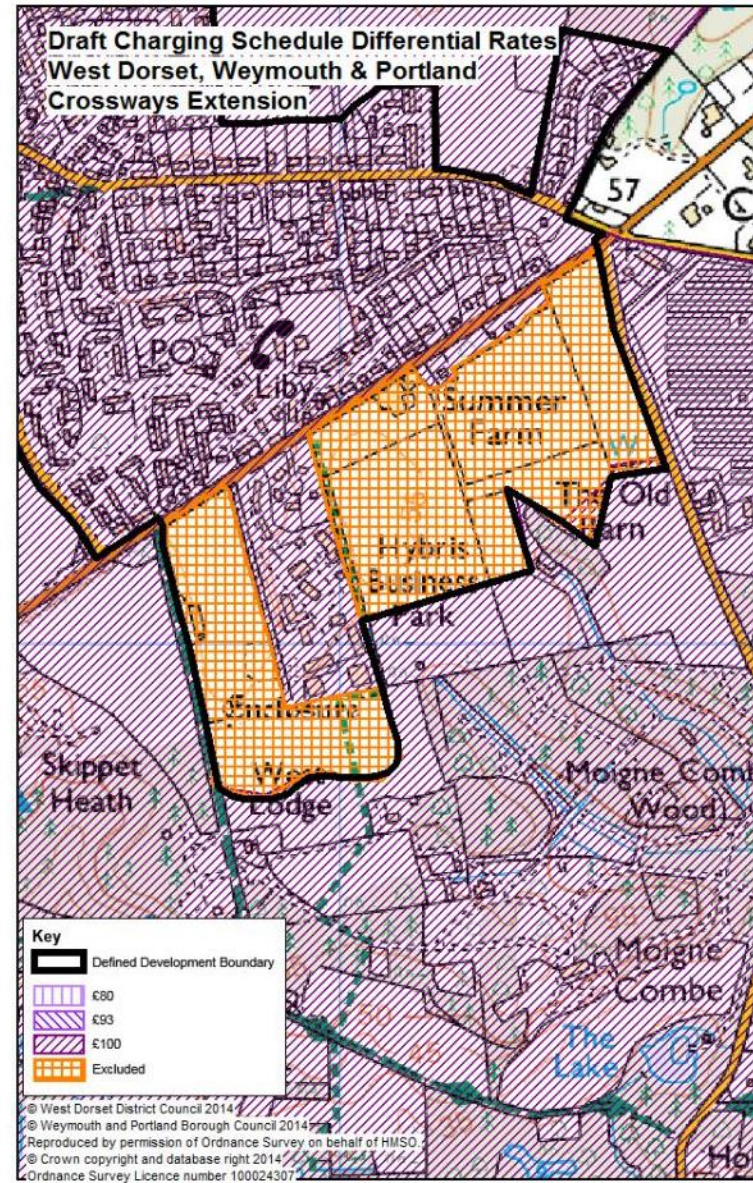
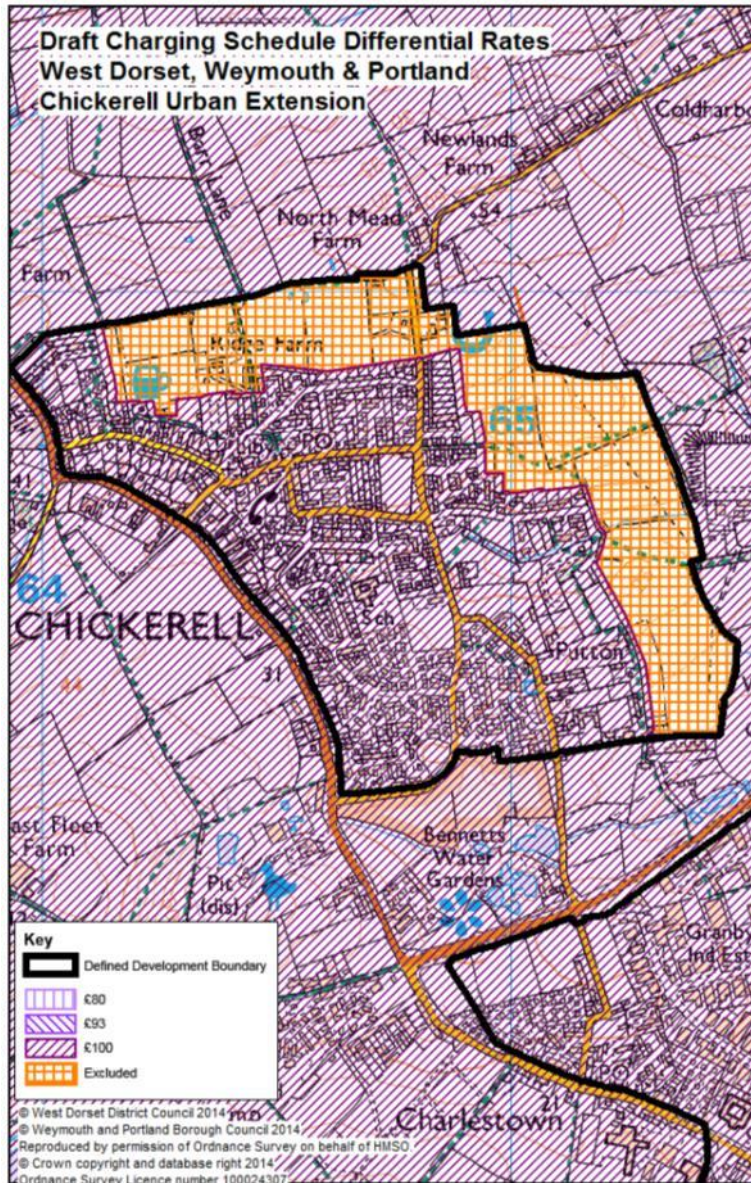
Residual land value	
Site acquisition costs	5.80%
MV (Residual Sum available to offer for Development Opportunity)	

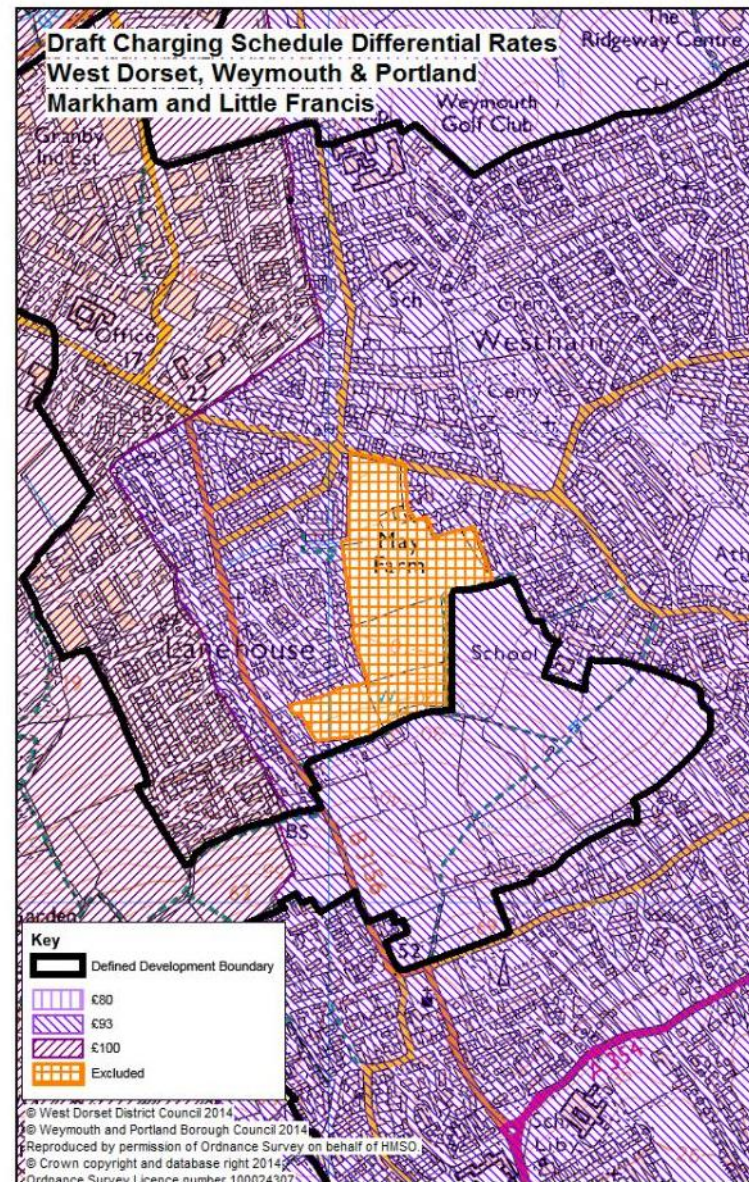
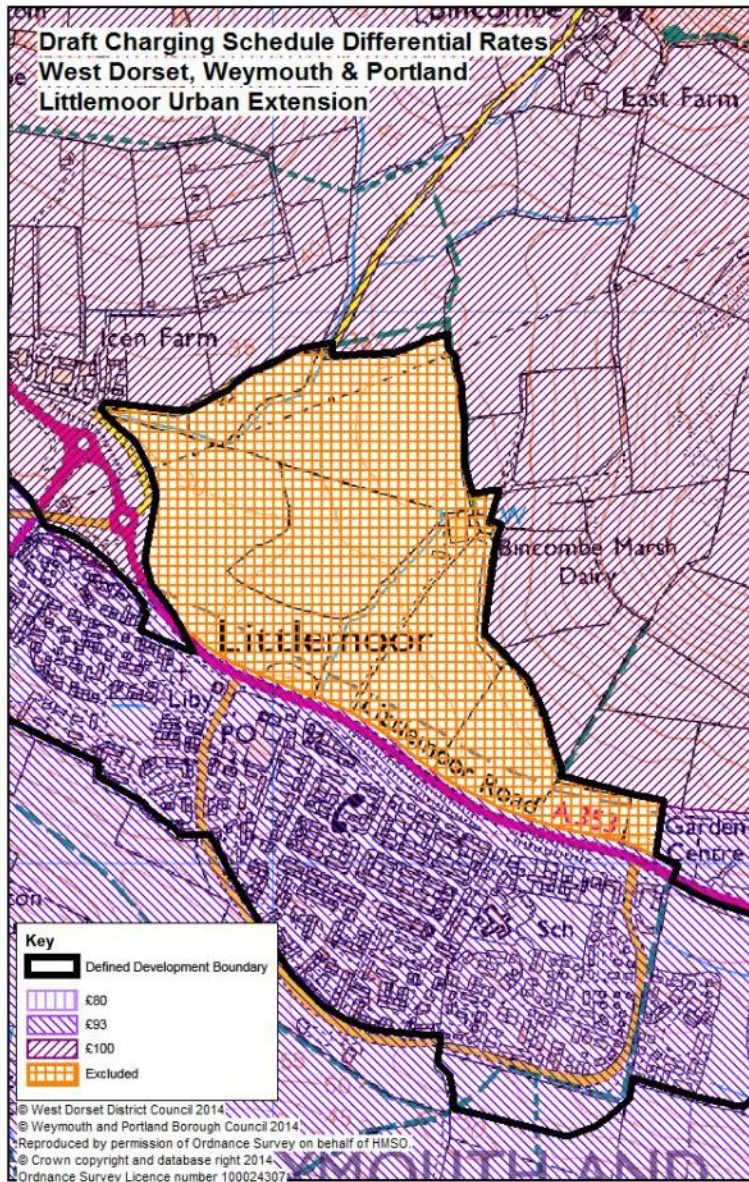
Project Totals	Qtr 16	Qtr 17	Qtr 18	Qtr 19	Qtr 20
	Year 4	Year 5	Year 5	Year 5	Year 5
	4	1	2	3	4
£ 95,001	0	0	0	0	0
£ 95,001	0	0	0	0	0
£ 95,001	0	0	0	0	0
£ 285,002	0	0	0	0	0
£ 68,000	0	0	0	0	0
£ 68,000	0	0	0	0	0
£ 353,002	0	0	0	0	0
£ 7,688,856	0	0	0	0	0
£ -					
£ 1,789,056	149,088	149,088	149,088	149,088	0
£ 162,345	0	0	0	0	0
£ 1,041,032	686,362	686,362	686,362	686,362	0
	-332,466	258,448	854,801	1,451,153	0
-£ 681,791	-5,438	0	0	0	0
£ 1,461,163	680,916	686,362	686,362	686,362	0

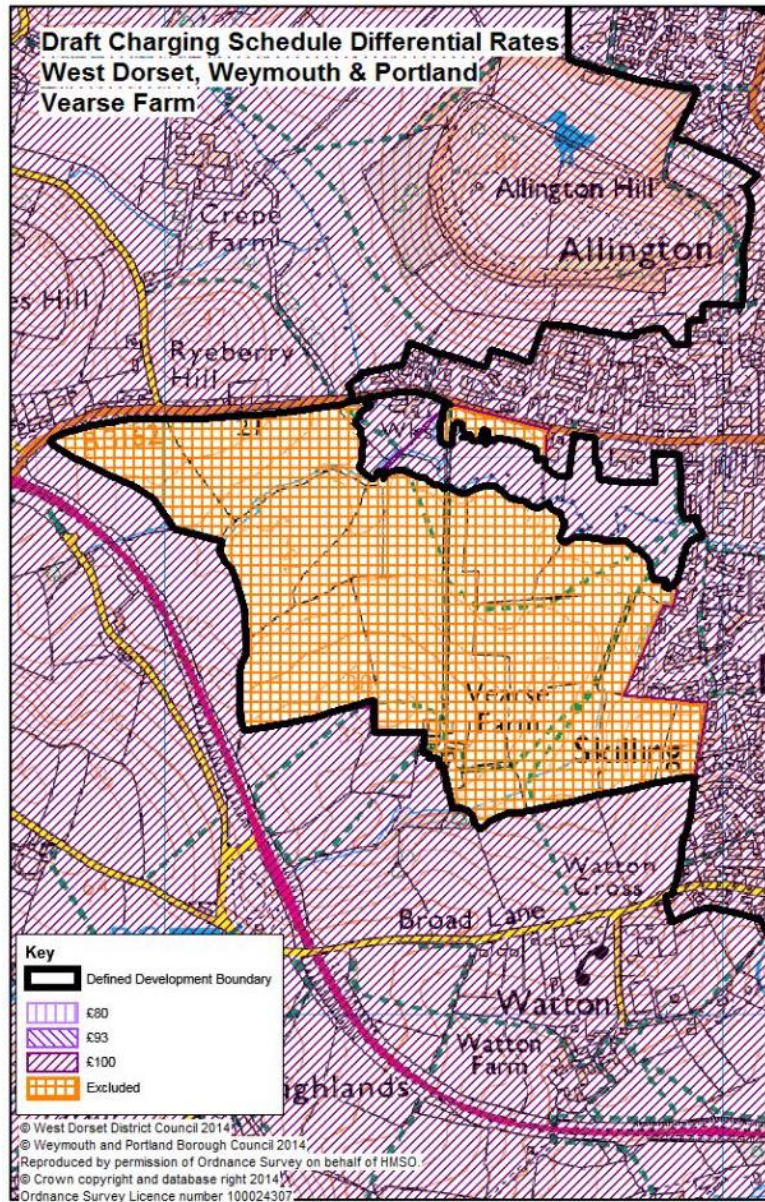
£ 1,043,660

£ 1,043,660
£ 60,532
£ 883,128

APPENDIX 3 – CIL CHARGING SCHEDULE INSET MAPS







APPENDIX 4 – AMENDED CIL CHARGING SCHEDULES

West Dorset District Council

CIL Draft Charging Schedule

Development Type	Use Class	CIL Rate (£/sqm)
Dwellings *	C3	100
Dwellings with Restricted Holiday Use **	C3	100
Essential Rural Workers' Dwellings ***	C3	Nil
All other development	n/a	Nil
Strategic Site Allocations:	n/a	Nil
- Littlemoor Urban Extension – LITT1		
- Chickerell Urban Extension – CHIC2		
- Land at Crossways – CRS1		
- Land at Vearse Farm – BRID 1		

For the purpose of this charging schedule the following definitions apply:

- * Dwellings mean houses and flats excluding affordable housing
- ** Dwellings with restricted holiday use include permanent dwellings restricted to holiday use but excludes second homes and more temporary tourist accommodation such as caravans and tents.
- *** Essential rural workers' dwellings is housing located outside defined development boundaries for full time workers in rural businesses which require essential 24 hour supervision.

Weymouth & Portland Borough Council

CIL Draft Charging Schedule

Development Type	Use Class	CIL Rate (£/sqm)
Dwellings* (All areas except Portland)	C3	93
Dwellings (Portland)	C3	80
Dwellings with Restricted Holiday Use** (all areas except Portland)	C3	93
Dwellings with Restricted Holiday Use (Portland)	C3	80
Essential Rural Workers' Dwellings***	C3	Nil
All other development	n/a	Nil
Strategic Site Allocations:	n/a	Nil
- LITT1 - Littlemoor Urban Extension		
- WEY10 - Markham & Little Francis		

For the purpose of this charging schedule the following definitions apply:

- * Dwellings mean houses and flats excluding affordable housing
- ** Dwellings with restricted holiday use include permanent dwellings restricted to holiday use but excludes second homes and more temporary tourist accommodation such as caravans and tents.
- *** Essential rural workers' dwellings is housing located outside defined development boundaries for full time workers in rural businesses which require essential 24 hour supervision.