

**South Worcestershire Councils
Community Infrastructure Levy Draft Charging Schedule Examination**

**Examiner's Query to the South Worcestershire Councils concerning the
Viability Update site area figures**

In the HDH CIL Viability Update (January 2016), viability for the QinetiQ site was originally assessed on the basis of the Net site area exceeding the Gross, but this was corrected when queries were raised during consultation on the Draft Charging Schedule.

Queries have also been raised during consultation on the Gross to Net site area ratio for the Cheltenham Road, Evesham site.

I have compared the Gross and Net site area figures for each of the strategic sites as given in the September 2014 Local Plan Viability Update (Strat Base 11.8ha for Apps) and in the January 2016 CIL Viability Update (Strat Base for Apps). Apart from QinetiQ, there are a number of other differences in the **Gross** figures as follows:

Fig in hectares	Crown Packaging	Vines Lane	Cheltenham Road	NE Malvern
LP Update 2014	6.83	3.10	19.00	56.84
CIL Update 2016	15.56	6.83	11.70	19.00

What is the reason for these differences, and does it indicate that any of the strategic site viability appraisals in the January 2016 CIL Update need to be reworked?

The South Worcestershire Councils response:

The following table sets out a number of discrepancies between the LP Update 2014 and the CIL Update 2016. The reason for the differences was an error in the modelling.

The North East Malvern site has a gross area of 19ha and a net area of 22.85ha. This should be a gross area of 56.84ha. This will not make a difference to the recommendation as this site was recommended for a zero CIL rate.

Number		Units	Jan-16		Sep-14	
			Area Ha		Area Ha	
			Gross	Net	Gross	Net
45/1	South Worcs UE	2,609	247.00	140.00	247.00	140.00
45/2	Worcester West UE	2,150	134.49	61.50	134.49	61.50
WO135&136	Crown Packaging	230	15.56	5.83	6.83	5.83
48/1	Vine's Lane	100	6.83	3.00	3.10	3.00
51/1	Cheltenham Road	500	11.70	11.50	19.00	11.50
53	Qinetiq	300	3.10	8.60	10.30	8.60
56	North East Malvern	800	19.00	22.85	56.84	22.85
11	Swinesherd Way	300	37.40	13.20		

HDH re-ran the appraisals (in May 2016) for the strategic sites on the 2014 areas (being the correct areas). The results are shown in the May-16 column and are directly comparable to those in the £40 column in Table 6.1b which are shown in the Sept-14 column below:

				May-16	Sep-14
		Alternative Use Value	Viability Threshold	Residual Value	
		£/ha	£/ha	£/ha	
Site 1	South Worcs UE	25,000	330,000	27,625	27,625
Site 2	Worcester West UE	25,000	330,000	74,436	74,436
Site 3	Crown Packaging	350,000	420,000	482,142	211,634
Site 4	Vine's Lane	25,000	330,000	636,115	288,720
Site 5	Cheltenham Road	25,000	330,000	472,367	767,092
Site 6	Qinetiq	300,000	360,000	344,938	1,146,085
Site 7	North East Malvern	25,000	330,000	148,505	444,264
Site 8	Swinesherd Way	25,000	330,000	53,972	53,972

The only site with a current CIL rate is Cheltenham Road, Evesham (the others are all zero rated). However on the larger site area of the revised calculations there is little scope for CIL. Therefore the SWC accept that this site is not now considered viable and consequently should be zero rated.

The site where the results are better is Vines Lane, Droitwich – although they are still just below the level of ‘cushion’ being sought between the viability threshold and the residual value.

In conclusion the substantive change is a zero rate for Cheltenham Road, Evesham.

SWC
20/10/16