

Community Infrastructure Levy Revised Preliminary Draft Charging Schedule Background Document “Justifying the Levy”

February 2015

1 Purpose of the document

1.1 This document supports the Revised Preliminary Draft Charging Schedule for the Community Infrastructure Levy ("the Levy" or CIL) in south Worcestershire published for consultation in February 2015.

1.2 The initial stage of preparing a charging schedule focuses on determining the Levy rate(s). The Charging Authority (the South Worcestershire Councils) must provide evidence on economic viability and infrastructure planning as background documentation.

1.3 It is considered that the Levy is expected to have a positive economic effect on development across south Worcestershire. The rate should be set at a level that balances the requirement for infrastructure to support development against the potential economic impact of imposing the Levy across south Worcestershire. The need for this balance is set out in regulation 14(1)¹ of the CIL Regulations, which states that the charging authority must "*strike an appropriate balance*" between the desirability of funding infrastructure from the Levy and "*the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area*". Additionally, CIL Guidance states that councils should "*show and explain how their proposed Levy rate (or rates) will contribute towards the implementation of their relevant Plan and support the development of their area.*"

1.4 This document will set out the process the South Worcestershire Councils (SWC) have followed so far in setting the Levy rates.

1.5 This document will:

- A. Show and explain how the proposed rates will have a positive economic effect on development across south Worcestershire by securing additional investment for infrastructure to support development (as identified in the South Worcestershire Infrastructure Delivery Plan [SWIDP]) without threatening delivery of the emerging South Worcestershire Development Plan (SWDP).
- B. Explain evidence collated to date on the aggregate infrastructure funding gap and show how this is directly related to the infrastructure assessment underpinning the SWDP.
- C. Set out provisional information about the amounts of s.106 raised in recent years, including the extent to which affordable housing targets have been met.

¹ Regulations amended 24th February 2014 and further information provided via NPPG in June 2014

- D. Set out how the SWC have engaged with stakeholders (including developers, landowners, housing associations, etc.) in developing the Levy and how this work is continuing to progress.

2 Infrastructure

Infrastructure Funding Gap

2.1 The South Worcestershire Councils carried out an assessment of crucial infrastructure requirements, in close consultation with Worcestershire County Council. This was set out in the May 2013 version of the South Worcestershire Infrastructure Delivery Plan (SWIDP) which was submitted as evidence alongside the SWDP in May 2013 to the Planning Inspectorate. The 'live' SWIDP has been subsequently updated in support of the uplift in the SWDP housing figures. The latest version was published in October 2014.

2.2 The SWIDP sets out the physical, social and green infrastructure required to support the delivery of the SWDP. The SWIDP is a 'living document' and it will continue to be updated as necessary to support the delivery of the SWDP throughout the plan period.

2.3 The SWIDP identifies around £550m worth of overall infrastructure required over the plan period with approximately half of which identified as the funding gap (a breakdown of the main infrastructure typologies are outlined below in Table 1). Full details are available in the SWIDP.

2.4 It is fully recognised that it would not be appropriate to fund all infrastructure required from the Levy, nor would the Levy generate sufficient funding to deliver all of the infrastructure required. As such the SWC, together with infrastructure providers (including Worcestershire County Council), are working to identify other funding streams needed to facilitate delivery, including other Government funding sources, s.106, etc. A full exploration of these funding mechanisms is set out in Section 10 of the SWIDP "*Delivery of infrastructure: funding mechanisms*".

2.5 The current position of the SWC on the relationship between s.106 planning obligations and the Levy is set out in *Appendix A* of the PDCS Consultation document, as part of an indicative split between CIL and Planning Obligations.

2.6 The headline figures for those main infrastructure typologies (table 1) that are likely to be funded from any money raised through implementation of the Levy by the SWC are provided below and this shows an aggregate funding gap of £185.19m, up from £94 million in the previous version of the CIL PDCS (September 2013).

Table 1: Aggregate Funding Gap Assessment of the Main Infrastructure Types*

Infrastructure Type	Funding Requirement (from SWIDP)	Anticipated Delivered via s106	Anticipated Other Funding	Aggregate Funding Gap
Transport	£226.3m	£70m	£55m	£101.3m
Education	£89.6m	£33.15m	£34.8m	£21.65m
Emergency Infrastructure	£6.94m	£TBC	None	£6.94m
Sports and Recreational Facilities	£76.3m	£8m	£13m	£55.3m
Total	£399.14m	£111.15m	£102.8m	£185.19m

*Figures in Table 1 updated to approx. Jan 2015, except 'Sports and Recreational Facilities' which is approx. Sept 2013

Section 106 (Planning Obligations)

2.7 Planning obligations are created under Section 106 (s.106) of the Town and Country Planning Act 1990 (as amended). They are also more commonly known as section 106 agreements'. They are legally binding obligations (agreements) that are attached to a piece of land and are registered as local land charges against that piece of land. Planning obligations enable a council to secure funding contributions towards services, infrastructure and amenities in order to support and facilitate a proposed development. The requirements of a Section 106 obligation will vary according to the size, impact and nature of the proposed development.

2.8 The CIL guidance requires charging authorities to prepare and provide information about the amounts of s.106 raised in recent years, including the extent to which affordable housing and other targets have been met.

2.9 Each of the SWC has taken a different approach to the implementation of s.106 and has a different policy basis under which s.106 can be collected (this is explained further below). Therefore, whilst s.106 has been a useful mechanism for supporting infrastructure investment and mitigating the negative impact of development, it has not necessarily always been utilised in a consistent way or pursued on all eligible developments. Nevertheless, this is important contextual information as to what developers can and cannot afford to pay which should be taken into account when setting the Levy rate(s) in south Worcestershire.

2.10 Record keeping of s.106 agreements negotiated and collected is held differently by each of the SWC and as such, the three Councils are continuing to align this evidence prior to

consultation on the Draft Charging Schedule (DCS) in the summer of 2015. However, significant progress has already been made and this section will set out provisional information collated to date. Work is still on-going to provide more in depth analysis of the amount of s.106 actually received and this will be available by the DCS stage when figures will be further refined.

2.11 The table below provides a simple summary of provisional s.106 agreements on qualifying sites within the South Worcestershire area.

Table 2: Summary of s.106 data for residential development

District	Typical s.106 per dwelling on housing sites (2013 data)	Affordable Housing Delivery – From Approximately Dec 2013 to Sept 2014
Malvern Hills	£4,000	40% (or more) achieved on 13 planning applications
Worcester City	£2,000	5 sites (some extracare, all brownfield land) achieved a range of zero, 13%, 24%, 33% and 40%
Wychavon	£5,000	Of 14 planning applications 40% achieved on 9 sites, 30% on 4 sites and 27% on 1 site

2.12 There have been insufficient commercial developments completed to provide a typical figure broken down by district. However, the average s.106 payment for commercial development across the whole of the South Worcestershire area was £60 per square metre (as at 2013).

2.13 It is clear from the data that collection of s.106 within Worcester City has been significantly less than from the other south Worcestershire districts. This is partly due to the fact that until recently Worcester City did not collect contributions towards transport infrastructure from residential development.

2.14 Changes to National Planning Practice Guidance (NPPG) in November 2014 states that contributions for affordable housing should no longer be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of

no more than 1,000sqm. There are exceptions for designated rural areas where a lower threshold of 5-units or less may be chosen. Contributions could then be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development. The impact of this change will be monitored for any implications it may have for S106 and CIL. Please see the NPPG for further information on this matter.

3 Viability

Approach

3.1 Charging authorities need to prepare evidence about the Levy's effect on economic viability to demonstrate to an independent examiner that their proposed rates strike an appropriate balance. The Levy charge must only be set on the basis of viability and should not be used as a policy tool.

3.2 Charging Schedules may include differential rates, but only where they can be justified on the basis of either economic viability of different parts of the area or by economic viability of different types of development. A zero rate can also be charged if viability testing shows that it would be unviable for a particular use or area to pay the Levy.

3.3 In 2012, Worcestershire County Council in liaison with the six district councils, commissioned HDH Planning and Development (HDH) to undertake an independent CIL viability analysis of the county to provide the evidence required to develop Charging Schedules across Worcestershire. This analysis used a recognised valuation methodology to identify the maximum amount of CIL that a range of modelled sites from the development plan could bear whilst still sustaining a sufficient land price to provide the landowner and the developer with a 'competitive return'. This was published in early 2013. In addition, HDH undertook a viability study for the south Worcestershire Councils in November 2012. Further viability work was undertaken for SWC in 2013 and this formed the evidence base for the SWC CIL rates in September 2013. Additional viability work was undertaken for SWC by HDH in September 2014 as a result of the outcome of the Stage 1 hearings. Further updating by HDH has taken place at the end of 2014 and this forms the evidence base for the revised PDCS. All of the viability reports are available on the SWDP website.

3.4 The approach to valuation was broad brushed and based on a residual valuation method to establish the "*additional profit*" of a scheme, which is the amount of profit over and above the normal profit made by developers having purchased the land (at a price that reflects the site's alternative use value plus an uplift), developed the site and sold the units

(including providing any affordable housing that is required):

<p style="text-align: center;">Gross Development Value</p> <p style="text-align: center;">(The combined value of the completed development) LESS</p> <p style="text-align: center;">Cost of creating the asset, including profit margin</p> <p style="text-align: center;">(land + construction + fees + finance charges = developers' profit)</p> <p style="text-align: center;">=</p> <p style="text-align: center;">Additional Profit</p>

3.5 The assessments were based on modelling of a range of development sites, both residential and non-residential, that are broadly representative of the type of development that is likely to come forward in each authority area. These sites were not designed to exactly reflect actual sites within south Worcestershire but evidence has been informed by them.

3.6 An important part of the process was engagement with the development industry. A workshop was held in July 2012 where the approach to viability testing was explored and stakeholders were offered the opportunity to make representations on the day and for a number of weeks following the workshop. These comments were considered when progressing the CIL viability study. A further session, where the findings of the study were presented, was held in October 2012 and stakeholders were again offered opportunity to comment following the workshop.

3.7 A further event was held during the original first PDCS phase in autumn 2013 at which local and national developers, land owners, agents, registered providers, etc. commented on the proposed approach to developing the Charging Schedules. An update of this engagement process is scheduled for March 2015 as part of this revised Preliminary Draft Charging Schedule consultation stage.

Findings

3.8 Summary information extracted from the appraisals undertaken by HDH Planning and Development (as updated in late 2014) is displayed below, specifically showing the residual value (in £ per hectare) of each development typology when applying a CIL rate of £40m², full SWDP policy requirements (public open space, density, etc.) and an affordable housing percentage of 40% for Malvern Hills and Wychavon and 30% for Worcester City.

3.9 The results below utilise the Residual Valuation approach. This approach assesses the value of the site (in £ per hectare) after taking into account the costs of development, the likely income from sales and/or rents and an appropriate amount of developers' profit. In order for the proposed development to be described as viable, it is necessary for this value to exceed the Viability Threshold (that being the Existing Use Value plus the appropriate uplift to provide a competitive return to the landowner) by a satisfactory margin. At this time, this is approximately £330,000 for greenfield sites, £420,000 for brownfield sites and £330,000 to £360,000 for smaller village and other small 'town' sites. The results are summarised in Table 3 for residential development, table 4 for the strategic sites and table 5 for non-residential development.

Table 3: Residual Value (£/ha) outcome at £40m ² CIL, full policy requirements of SWDP and Current Affordable Housing Targets (Malvern Hills and Wychavon 40%, Worcester City 30%)		Greenfield 1	Greenfield 2	Greenfield 3	Greenfield 4	Greenfield 5	Brown Redevelop Large	Urban Flats	Brown Redevelop Medium	Medium Brownfield	Medium Greenfield	Urban Edge	Town Centre Flats	Ex-garage Site	Town/Village Infill	Small Village Scheme	Village House	TOTALS
Viability Threshold (£/hectare)		330,000	330,000	330,000	330,000	330,000	420,000	420,000	420,000	420,000	330,000	360,000	420,000	330,000	360,000	360,000	360,000	n/a
Malvern Hills	Residual Value (£/hectare)	463,027	477,366	482,081	542,753	686,809	-245,074	-3,299,833	193,943	243,710	631,370	522,358	531,674	-362,544	136,436	558,506	244,093	n/a
	Number of Sites in Appraisal	0	1	3	14	9	2	0	3	6	11	0	0	0	1	6	0	56
	Number of Units in Appraisal	0	190	278	693	296	359	0	69	77	166	0	0	0	6	36	0	2,170
Worcester City	Residual Value (£/hectare)	380,073	439,903	392,945	583,570	813,935	269,788	-2,915,728	840,656	409,014	710,808	657,100	695,040	-449,784	81,479	124,663	85,584	n/a
	Number of Sites in Appraisal	0	0	2	1	4	6	1	5	8	1	2	15	3	0	0	0	52
	Number of Units in Appraisal	0	0	200	45	94	1355	100	193	110	13	25	254	28	0	0	0	2,417
Wychavon	Residual Value (£/hectare)	434,791	821,152	482,081	675,830	1,152,777	1,111,618	-3,727,779	846,888	243,710	188,400	483,322	-24,664	683,356	238,479	1,458,487	745,333	n/a
	Number of Sites in Appraisal	4	1	3	6	6	3	0	1	5	12	3	1	3	3	10	0	61
	Number of Units in Appraisal	2306	200	312	347	197	280	0	36	62	200	26	15	45	19	69	0	4,114

Source: SWDP CIL Viability Update – December 2014

Table 3 shows that Malvern Hills and Wychavon (non-strategic sites) are able to bear an element of CIL on greenfield sites but not on brownfield sites. For Worcester City, the majority of development will be on brownfield land. Despite a reduction of the affordable housing requirements to £30% for Worcester, requiring CIL in addition to this would not be viable.

Table 4: Strategic Sites Residual Values: 40% Affordable Housing (30% within Worcester City) and Infrastructure Costs/Developer Contributions of £0/unit to £25,000/unit		Proposed Number of Dwellings	Viability Threshold (£/ha)	Infrastructure Costs/Developer Contributions (£/unit)					
				£0	£5,000	£10,000	£15,000	£20,000	£25,000
				Residual Value (£/hectare)					
Site 1	Worcester South Urban Extension	2,609	330,000	220,311	186,183	151,759	116,973	81,807	45,876
Site 2	Worcester West Urban Extension	2,150	330,000	357,784	303,404	248,222	192,738	136,561	79,733
Site 3	Gwillam's Farm	245	330,000	486,089	416,735	347,382	278,029	208,676	139,133
Site 4	Crown Packaging, Worcester (30% Affordable Housing)	240	420,000	1,149,481	998,645	844,653	690,427	536,201	381,975
Site 5	Kilbury Drive, Worcester	251	330,000	630,699	536,617	442,211	347,806	253,400	158,510
Site 6	Vine's Lane, Droitwich	100	330,000	1,018,786	875,471	732,156	586,884	439,970	295,834
Site 7	Cheltenham Road, Evesham	400	330,000	668,471	584,079	498,538	412,371	326,204	239,207
Site 8	Pershore Urban Extension	650	330,000	522,021	455,131	387,125	318,865	250,605	181,136
Site 9	QinetiQ, Malvern	300	420,000	825,683	697,289	568,896	440,503	312,109	180,393
Site 10	Malvern North East Urban Extension	800	330,000	356,925	304,891	252,440	199,292	145,993	91,476

Table 4 shows that viability is generally good (except for sites 1, 2 and 10) up to £15,000 per unit but then drops markedly. QinetiQ becomes unviable above the £20,000 per unit threshold.

Source: SWDP CIL Viability Update – December 2014

Table 5: Non-residential viability appraisal: Additional Profit at Current Prices (£/m²) – South Worcestershire

		Large Industrial	Small Industrial	Large Office	Small Office	Larger Supermarkets	Smaller Supermarkets	Retail Warehouse	Shops	Leisure	Hotel	Student Halls
Greenfield	Additional Profit (£)	-339,629	-143,075	-362,400	-656,260	1,908,247	970,369	1,221,156	n/a	n/a	-356,512	n/a
	Profit per £m ²	-226	-715	-725	-4,375	477	571	407	n/a	n/a	-220	n/a
Brownfield	Additional Profit (£)	-673,113	-195,564	-1,018,355	-2,527,446	838,584	669,258	580,671	-155,117	n/a	-753,691	653,877
	Profit per £m ²	-449	-978	-2,037	-16,850	210	394	194	-767	n/a	-465	180

Table 5 shows that both office and industrial development are shown as unviable but there is justification for charging CIL on supermarkets, retail warehouses and student accommodation.

Source: SWDP CIL Viability Update – December 2014

3.10 For residential development, the viability evidence above (Table 3) shows that Malvern Hills and Wychavon (non-strategic sites) are able to bear an element of CIL on greenfield sites but not on brownfield sites. The majority of brownfield development will take place in the main urban areas of Malvern, Upton-upon-Severn and Tenbury Wells for Malvern Hills and Droitwich Spa, Evesham and Pershore for Wychavon. A different CIL charge is therefore proposed for these specific geographical locations. For Worcester City, the majority of development will be on brownfield land. Despite a reduction of the affordable housing requirements to £30% for Worcester, requiring CIL in addition to this would not be viable.

3.11 The evidence on strategic sites (Table 4) shows that viability is generally good for most sites up to the £15,000 per unit threshold but then drops markedly beyond this. There is less viability on the urban extension sites of Worcester South, Worcester West and Malvern North-East. This is predominantly due to the higher, site specific infrastructure and utility costs which are borne by the developer on-site. The QinetiQ site in Malvern is seen to become unviable once contributions go above the £20,000 per unit threshold.

3.12 For non-residential development (Table 5), the evidence does not support the introduction of CIL on the principle employment uses of office and industrial uses. The same findings apply to hotel uses. It is therefore not appropriate to include these uses within CIL. In the retail sector, the viability evidence does support the introduction of CIL for supermarket uses (including the discount format) and retail warehousing but not for town centre shops. Larger developments such as supermarkets, retail warehousing and student accommodation development can all justify a CIL Levy across south Worcestershire at a rate of £100m².

Neighbouring Authority Rates

3.13 Whilst the rate of CIL must be set based on evidence, it is useful to consider the appropriate rate in the context of those being introduced by neighbouring or nearby authorities, as this could have an impact on deliverability of development in Worcestershire. For example, a very low rate in a neighbouring authority could put delivery of the Development Plan at risk if developers prefer to develop in an area with a lower rate of CIL.

Table 4: Neighbouring Authority Emerging CIL Rates

Local Authority	CIL Status	Use	Charge (per m ²)
Birmingham City	Consultation Draft Charging Schedule Closed (November 2014)	Residential	£nil to £69
		Student Accommodation	£nil to £69
		Supermarket	£260
		Small supermarket and retail	£nil
		Office	£nil
		Hotel	£nil to £27
		Leisure	£nil
		Industrial	£nil
		All Other Uses	£nil
Bristol City	Adopted, Charging (January 2013)	Residential	£50-£70
		Student Accommodation	110
		Retail	£120
		Commercial, Industrial and Office	£nil
		Hotel	£70
		All Other Uses	£50
Herefordshire	Consultation PDCS closed (April 2013)	Residential	£nil to £140
		Small convenience retail	£80
		Large convenience retail	£120
		Town centre comparison retail	£90
		Out of centre comparison retail	£125
		Commercial, Industrial and Office	£nil
		Hotel	£25
		All Other Uses	£nil
Shropshire	Adopted, Charging (Jan 2012)	Residential	£40 to £80
		All Other Uses	£nil
Solihull	Draft Charging Schedule submitted for Examination (June 2014)	Residential	£nil to £150
		Small convenience retail	£nil to £150
		Large convenience retail	£nil to £300
		Other retail formats	£nil to £50
		A2	£nil to £25
		A3, A4 and A5	£nil to £100
		Hotels	£nil to £25
		C2 (excluding hospitals and training centres)	£nil to £25
		Sui Generis	£nil to £75
Stratford-on-Avon	Draft Charging Schedule closed (October 2014)	Residential	£85 - £150
		Retail	£nil-120
		Employment	£nil
		Hotels	£nil
		Extra Care Housing	£nil
		Mixed Leisure	£nil
		Public Service and Community Facilities	£nil
		Other Uses	£nil
		Warwick	Consultation PDCS closed (July 2013)
Supermarkets and retail parks	£75		
Retail in "prime Leamington Spa"	£65		
Other retail	£nil		
Hotel	£80		
Student Accommodation	£80		

4 **Rate Setting**

4.1 In deciding the rate for the Levy, the SWC considered the viability work that was undertaken and weighed up the various policy priorities, including the delivery of affordable housing and continuing use of s.106 to fund infrastructure for and / or delivered by the development industry.

4.2 CIL Regulations updated guidance (February 2014) states that a charging authority “*must strike appropriate balance between*” the desirability of funding infrastructure from the levy and “*the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area*”.

4.3 Evidence that has been considered includes:

- Worcestershire CIL Viability Study (January 2013)
- Policies within the submitted South Worcestershire Development Plan (May 2013) and their impact on viability, see South Worcestershire Overall Viability Study (November 2012, updated in 2014)
- South Worcestershire Infrastructure Delivery Plan (May 2013) and infrastructure funding gap assessment (live document, latest update 2 October 2014)
- Background evidence on previous s.106 agreements and affordable housing delivery
- Information about emerging rates in neighbouring authorities (see above).

4.4 Taking into account of all appropriate, available evidence the SWC have come up with a strategy for CIL which is based on the following three principles:

1. Set the Levy at a cautious level

- i) Whilst encouraging signs have been identified, the future of the national economy remains uncertain. It seems inevitable that fluctuations in house prices (and the associated build costs) will remain for the immediate future and as such, confidence has not fully returned to the market.
- ii) Setting the Levy close to the limits of viability could have an adverse impact on development coming forward and as such SWC are proposing to take a cautious approach. This will allow the SWC to (subject to site specific viability issues):
 - Continue to deal with site-specific issues via s.106 in a complementary manner (through an updated Developer Contributions Supplementary Planning Document being prepared by the SWC in parallel with the Levy)

- Continue to deliver affordable housing requirements in line with SWDP policy (also see the SWC Affordable Housing SPD which is being prepared in parallel)
- Meet policy aspirations on design and environmental standards
- Engrain the principle of the Levy within the development industry in south Worcestershire

2. Consider different rate on strategic sites

- i) Charging authorities are permitted to treat major strategic sites as a separate geographical zone, where this can be supported by robust evidence on economic viability.
- ii) The SWC are considering a different Levy rate for strategic sites. Such sites result in substantial infrastructure requirements in their own right which are more likely to be delivered by the developers or via s106. This affects the economic viability of their delivery in a different way to smaller sites. The exact rate will depend on whether it is most appropriate to deliver the infrastructure required as a result of the development via s.106 or through CIL. However, due to the revised south Worcestershire CIL timetable and the current status of planning permissions/applications it is becoming increasingly apparent that some of the strategic sites will not be applicable for CIL as their planning approval has already, or is likely to (if approved), pre-date CIL adoption (in accordance with the Local Development Scheme timetable) and will instead provide contributions via S106.
- iii) Work has been undertaken by HDH regarding the economic viability of the SWDP strategic development sites across south Worcestershire. This work has identified that none of the SWDP strategic sites can currently justify a separate CIL charging rate on economic viability grounds (excluding those stated 'as for district' – see Table 7).
- iv) If site-specific rates of CIL are to be set, the three Councils and infrastructure providers need to work with developers to provide evidence on the actual costs of delivering the infrastructure, in order to determine whether CIL is the most appropriate method for funding infrastructure delivery on these sites. A clear delivery strategy must also be demonstrated to ensure the difference in rate is justified by reference to the economic viability of development. Landowners and site promoters are expected to provide sufficient, good

quality information at an early stage to allow the planning authority to make an informed judgement.

3. Look to revise in conjunction with the SWDP revision in 2019

- i) Over the next three-four year period, values and costs of development could change significantly and the market could become more certain. It is difficult to predict how these may change and when. It will be important to monitor the market and review the Levy at an appropriate time. As the SWDP is proposed for a review in 2019, this appears to be an appropriate date and timescale in which to also review the CIL if it is adopted and operational from 2016.

Conclusions

4.5 Taking all the above into consideration, the following rates were considered appropriate and will allow the SWC to strike the appropriate balance between funding infrastructure required to support development of the area, and the effects on the economic viability of development across south Worcestershire, taking into account all the appropriate available evidence. A map showing the administrative charging areas of CIL for the SWC is available under 'Appendix B' of the main PDCS report.

Table 6: The Revised Preliminary Draft Charging Schedule

Use Type	Charging Authority Proposed Levy Rate (per m ²)		
	Malvern Hills	Worcester City	Wychavon
Residential – Main Urban Areas	£0 (Malvern, Upton upon Severn and Tenbury Wells)	£0	£0 (Droitwich, Evesham and Pershore)
Residential – All other Areas	£40	£0	£40
Student Accommodation	£100	£100	£100
Food Retail (Supermarkets)	£100	£100	£100
Retail Warehouses	£100	£100	£100
Shops	£0	£0	£0
Hotels	£0	£0	£0
Industrial and Office	£0	£0	£0
Education, Health, Community and Other Uses	£0	£0	£0

4.6 Proposed charging rates for residential development differ across and within the SWC, with all but the Malvern Hills and Wychavon ‘all other areas’ proposing a £0 rate for residential developments. All other rates are equal across south Worcestershire in line with the viability evidence.

Table 7 - SWDP strategic sites - Proposed CIL rates

Site	Proposed Rate (£/m ²)
Worcester South Urban Extension	N/A
Worcester West Urban Extension	N/A
Gwillam's Farm	0
Crown Packaging, Worcester	As for district
Kilbury Drive	N/A – Approved
Vine's Lane, Droitwich	As for district
Cheltenham Road, Evesham	As for district
Pershore Urban Extension	0
QinetiQ	0
North East Malvern Urban Extension	0

4.7 None of the SWDP strategic sites can currently justify a separate CIL charging rate on economic viability grounds (excluding those stated 'as for district').

4.8 As per the CIL viability update 2014, CIL is expected to contribute around £12,756,000 from residential development (this excludes the strategic sites and all other types of development that would charge CIL) over the remainder of the plan period. This is collected from Malvern Hills and Wychavon outside of the main urban areas (at £40m² and 40% affordable housing) as these are the only areas where a residential charge is proposed. The exact amount will differ given that a number of applications may be decided ahead of CIL and rates are likely to change over time.

4.9 This revised PDCS will allow the development industry and other stakeholders the opportunity to submit representations and evidence as to the viability and suitability of the above approach. All responses will be considered carefully before producing the formal Draft Charging Schedule for consultation in the summer of 2015. A full timetable can be found within the PDCS consultation document and Local Development Scheme.