

## Section 3 CIL Rates

3.1 Southend Borough Council's CIL rates are as follows:

Table 1: Proposed CIL rates

Development type	Proposed CIL rate
Residential (Class C3 and C4) – Zone 1 (Market areas 1-5)	£20
Residential (Class C3 and C4) – Zone 2 (Market area 6)	£30
Residential (Class C3 and C4) – Zone 3 (Market areas 7 and 8)	£60
Extra care and retirement housing (see below for definition)	£20
Convenience based supermarkets and superstores and retail warehousing (net retailing space of over 280 square metres)	£70
Development by a predominantly publicly funded or 'not for profit' organisation (see below for definition) including medical and health services, social care, education, emergency services, waste facilities, community facilities, sport and leisure facilities only	£0
All other uses not cited above	£10

*Definition of 'extra care and retirement housing': Housing within Class C3 which is purpose built or converted for sale to elderly people with a package of estate management and care services as necessary and which consists of grouped, self-contained accommodation with communal facilities. These premises often have emergency alarm systems and/or wardens. These properties would not provide the same level of care as residential care homes (Class C2) where residents do not live in self-contained accommodation.*

*Definition of 'not for profit organisation': An organisation that does not earn profits for its owners but conducts business for the benefit of the general public; all the money earned by or donated to the organisation is used in pursuing the organisation's objectives.*

### Map of residential charging areas

3.2 The CIL Viability Study identified that, based on average sales values in the Borough, eight Market Areas exist where values are comparable. The Market Areas referred to in the table of rates and below are as follows:

## Market Areas

<b>1</b> - North central area, Airport, Westborough, Victoria and Prittlewell
<b>2</b> - Southchurch
<b>3</b> - Mid central area
<b>4</b> - Shoeburyness
<b>5</b> - Eastwood, Belfairs and Blenheim
<b>6</b> - South central area (below railway)
<b>7</b> -Thorpe Bay
<b>8</b> - Leigh-on-Sea and Chalkwell

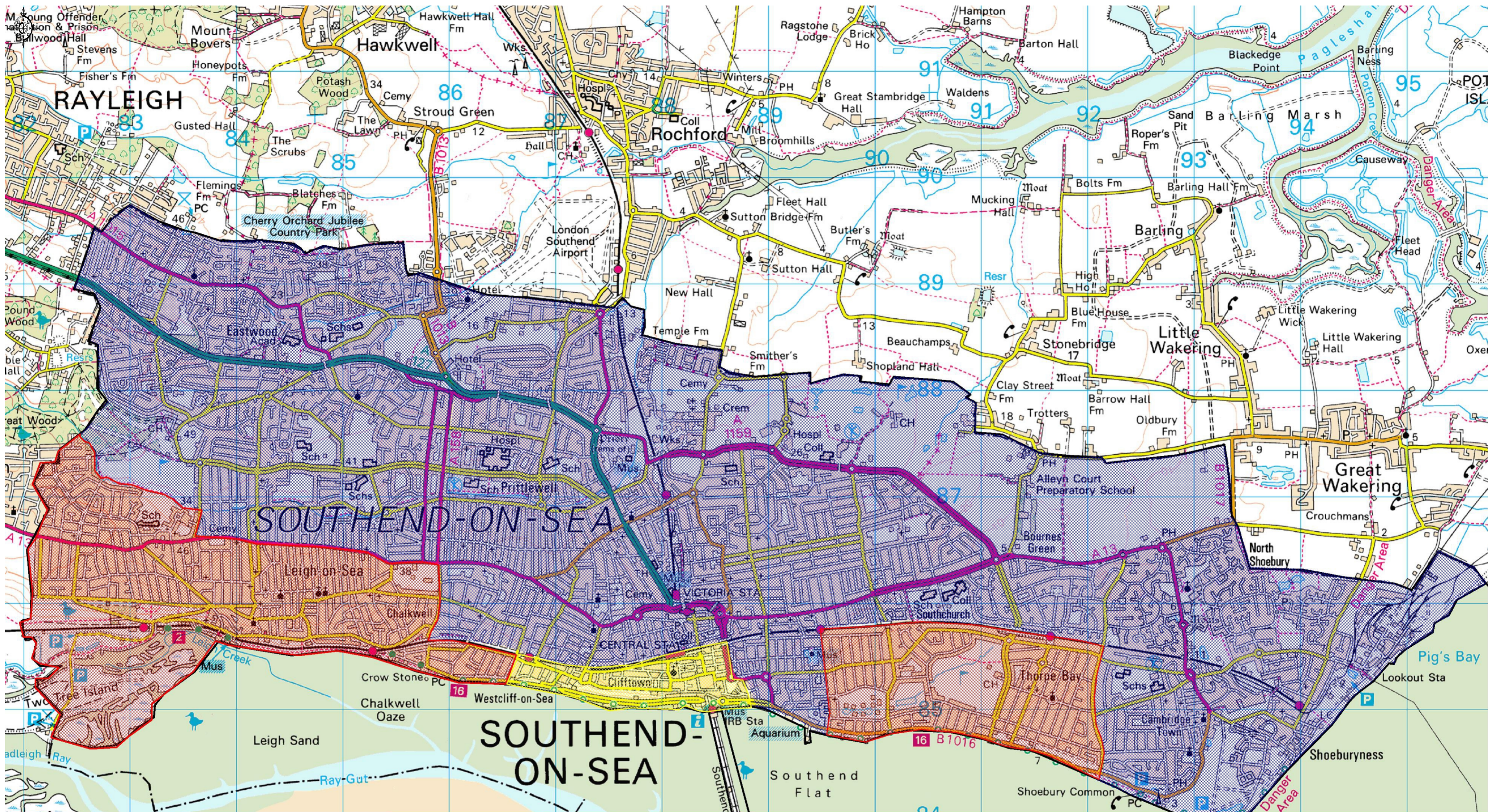
- 3.3 The residential charges have been based on zones that reflect the average sales values in the Borough. Figure 1 shows the three zones (Zone 1 – Market Areas 1-5; Zone 2 – Market Area 6; Zone 3 – Market Areas 7 and 8).

### Explanation of rates by development type


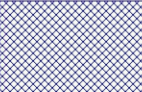


- 3.4 Residential: In areas of the Borough where sales values have been found to be lower (including Market Areas 1-5) a nominal CIL rate of £20 per square metre has been chosen (shown as Zone 1 in Figure 1). In the slightly higher value Market Area 6, viability evidence shows that a rate of £30 per square metre can be accommodated (shown as Zone 2 in Figure 1). In the highest value areas of the Borough (including Market Areas 7 and 8), viability evidence shows that a rate of £60 per square metre can be accommodated (shown as Zone 3 in Figure 1).
- 3.5 Extra care and retirement housing (see Table 1 for definition): Viability evidence has demonstrated that these types of development generate surpluses that can support a CIL charge to varying degrees dependant on the existing use of the site. On this basis, a rate of £20 per square metre across the entire Borough has been chosen.
- 3.6 Convenience based supermarkets and superstores and retail warehousing (net retailing space of over 280 square metres): Viability evidence has demonstrated that these uses are likely to be viable across the Borough with a maximum CIL rate of £106 per square metre. The 280 square metre threshold is drawn from the Sunday trading laws and is the threshold being used by a number of Charging Authorities. Although the charging schedule includes a split for retail based on the

size of unit it does not try to differentiate between in and out of town. Whilst in policy terms a town centre/out-of-town centre split may be desirable, the rules on setting different CIL rates are strict. Because CIL is essentially a tax, Charging Authorities are not allowed to use 'policy' based reasons to determine the chosen rates. Where larger schemes do occur in the town centres, they are likely to involve demolition or change of use of existing buildings. CIL is only charged on the net increase in floorspace, therefore many town centre schemes, even if the resultant unit is large, will only include a modest net increase in floorspace. After allowing for a buffer, which is considered to be appropriate to deal with site specific issues, a CIL rate of £70 per square metre has been chosen.

- 3.7 In respect of all other uses, the viability study looked at offices, industrial and warehousing, other forms of retail (A1-A5) and hotels. It was found that at current levels these uses are unlikely to generate sufficient surpluses to accommodate a significant CIL charge; hence a nominal rate has been chosen. In addition, consideration was given to D1, D2 and *sui generis* uses but, given the large number of uses that fall within these categories, individual viability testing of the range of possible uses that could come forward has not been undertaken as it would be too complex to test all these uses with any degree of reliability. Therefore, a nominal rate is proposed for all uses that are not mentioned in paragraph 3.4, 3.5 and 3.6 on the basis that such a rate is unlikely to be a significant factor in developers' decision making and could be absorbed without having a significant impact on viability across the Borough but will contribute to the infrastructure to support the growth. There are some proposed **exceptions** to the nominal rate applicable to 'All other uses' taking into consideration the uses that will be placing a demand on growth associated infrastructure and those that will be providing the infrastructure required to support growth that CIL could possibly be spent on (i.e. as identified in the IDP and Regulation 123 Infrastructure List). Therefore, a zero rate will apply to **any community facilities that are predominantly publicly funded or run on a 'not for profit' basis, including medical and health services, education, emergency services, community facilities, sport and leisure facilities.**



**Key**

-  Borough boundary
-  Zone 1 - £20 per sq m
-  Zone 2 - £30 per sq m
-  Zone 3 - £60 per sq m

## How the chargeable amount will be calculated

- 3.8 The precise amount charged for each development will be calculated in accordance with Regulation 40 of the CIL Regulations 2010 (as amended). As stipulated in the Regulations, all charges are based on the gross internal floorspace area. Calculating the chargeable rate will take into account inflation in accordance with the Building Cost Information Service (BCIS) of the Royal Institute of Chartered Surveyors 'All in Tender Price Index'. Hence, CIL liabilities will reflect the economic cycle to some extent until such time that the charging schedule is reviewed. Appendix 1 provides some examples of how CIL liabilities will be calculated.
- 3.9 In addition to the CIL liability, there may also be site specific contributions/provision requirements, including the provision of affordable housing. These will be dealt with through Section 106 planning obligations, Section 278/38 highway agreements or conditions (see consultation document SPD2 Planning Obligations for further details). The viability study that has been carried out in respect of CIL was not only concerned with CIL viability, but also considered the costs of affordable housing (so that delivery of affordable housing in the Borough is not adversely affected by CIL) and made assumptions about other contributions which might be required. Further details can be found in the CIL Overview Report, Viability Study and Addendum Note (available on the Council's CIL web pages). The rates are therefore considered reasonable, taking into account all financial burdens being placed on development.

## Section 6      Comments, Response and Next Steps

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### Responding to this consultation

- 6.1 Please send us any comments you may have once you have looked through the Draft Charging Schedule and the associated documents including the following, which set out our approach for introducing CIL:
- CIL Overview Report (November 2014)
  - Equality Analysis (November 2014)
  - Infrastructure Delivery Plan (IDP) (September 2014)
  - Viability Study (December 2014) and Addendum Note (July 2014)
  - Supplementary Planning Document 2 (SPD2): Planning Obligations Consultation Document

Please be aware that your comments will be published on the Council's website together with your name.

The consultation period runs for a 6 week period from **Wednesday 7<sup>th</sup> January 2015**.

The deadline for receipt of comments is **5pm on Thursday 19<sup>th</sup> February 2015**.

Our preferred method for comment is online at:  
<http://southend.jdi-consult.net/ldf/index.php?>

Alternatively you can comment by e-mail at:  
[ldf@southend.gov.uk](mailto:ldf@southend.gov.uk)

or by post to:

Debee Skinner  
Department for Place, Southend-on-Sea Borough Council,  
PO Box 5557, Civic Centre, Victoria Avenue, Southend-on-Sea, SS2 6ZF

- 6.2 The CIL Draft Charging Schedule and associated documents are also available at the Civic Centre, on the Council's website and in libraries in the Borough.
- 6.3 Your views are important to us, and we recognise that the planning system is not always easy to understand and find your way around. We want to make sure that as many people as possible have an opportunity to have their say as the new Community Infrastructure Levy is prepared. You can contact us using one of the following methods:
- You can phone us on 01702 215408 or,
  - You can email us at [ldf@southend.gov.uk](mailto:ldf@southend.gov.uk).

## Stages of consultation through to adoption

- 6.4 The Council will carry out a number of steps before introducing the charging schedule to ensure that responses received are taken into account. This Draft Charging Schedule is the second stage in the consultation process. The further stages to get to adoption and preliminary dates are as follows:

	Preliminary Dates
Submission of Draft Charging Schedule to Secretary of State for examination	February/March 2015
Independent Public Examination	March/April 2015
Inspector's Report	April/May 2015
Adoption of CIL Charging Schedule and publication of revised SPD2 by Southend Borough Council	June/July 2015

## Relevant document links

<p>CIL Draft Charging Schedule, Infrastructure Development Plan, Viability Study and other associated Southend Borough Council CIL documents <a href="http://www.southend.gov.uk/info/200160/local_planning_framework/483/community_infrastructure_levy_cil">http://www.southend.gov.uk/info/200160/local_planning_framework/483/community_infrastructure_levy_cil</a></p>
<p>Planning Portal – CIL information pages <a href="http://www.planningportal.gov.uk/planning/applications/howtoapply/whattosubmit/cil">http://www.planningportal.gov.uk/planning/applications/howtoapply/whattosubmit/cil</a> <a href="http://www.planningportal.gov.uk/uploads/cil/cil_guidance_main.pdf">http://www.planningportal.gov.uk/uploads/cil/cil_guidance_main.pdf</a></p>
<p>National Planning Practice Guidance – CIL <a href="http://planningguidance.planningportal.gov.uk/blog/guidance/community-infrastructure-levy/">http://planningguidance.planningportal.gov.uk/blog/guidance/community-infrastructure-levy/</a></p>
<p>Planning Advisory Service (PAS) - CIL information web page <a href="http://www.pas.gov.uk/3-community-infrastructure-levy-cil">www.pas.gov.uk/3-community-infrastructure-levy-cil</a></p>
<p>The Community Infrastructure Levy Regulations 2010 <a href="http://www.legislation.gov.uk/uksi/2010/948/contents/made">www.legislation.gov.uk/uksi/2010/948/contents/made</a></p>
<p>The Community Infrastructure Levy (Amendment) Regulations 2011 <a href="http://www.legislation.gov.uk/uksi/2011/987/contents/made">www.legislation.gov.uk/uksi/2011/987/contents/made</a></p>
<p>The Community Infrastructure Levy (Amendment) Regulations 2012 <a href="http://www.legislation.gov.uk/uksi/2012/2975/contents/made">www.legislation.gov.uk/uksi/2012/2975/contents/made</a></p>
<p>The Community Infrastructure Levy (Amendment) Regulations 2013 <a href="http://www.legislation.gov.uk/uksi/2013/982/contents/made">www.legislation.gov.uk/uksi/2013/982/contents/made</a></p>
<p>The Community Infrastructure Levy (Amendment) Regulations 2014 <a href="http://www.legislation.gov.uk/uksi/2014/385/contents/made">www.legislation.gov.uk/uksi/2014/385/contents/made</a></p>