



# **SOLIHULL MBC**

## **COMMUNITY INFRASTRUCTURE LEVY (CIL)**

### **INCOME PROJECTION 2016-2028**

October 2015

## CIL – INCOME PROJECTION 2016-2028<sup>1</sup>

### Residential

Table 1. Number of dwellings that will be subject to CIL, based on the housing land supply trajectory.

11,000	Housing target 2006-2028
-2,340	Dwelling completions (2006-2012) (SLP)
-1,572	Dwelling completions (2012-2014) (Appeal evidence)
-577	With planning permission (started)
-1,450	With planning permission (but not started as of Sept 2014)
-970	North Solihull regeneration (not allocated in Local Plan)
-460	North Solihull Local Plan Allocations
= 3,631	Dwellings potentially liable to CIL

Residential developments to come forward that may be liable to CIL will comprise of Local Plan allocated sites (outside of North Solihull) which amount to 2,240 dwellings (see table above) and 1,950 windfalls during the remaining plan period (2016-2028 which amount to 12 years x 150 dwellings per year = 1,800).

#### *Windfall Assumptions*

Assume that 20% of windfalls are in North Solihull, 50% in Mature Suburbs and 30% in the Rural Area.

Assume average house size of 90 sqm and that 40% of dwellings would not pay CIL (either because they are affordable units or it is the resulting discount from sites already in use).

Mature Suburbs:  $1,800 \times 50\% \times 60\% \times 90 \text{ sqm} \times £75 / \text{sqm} = £3.65\text{m}$

Rural Area:  $1,800 \times 30\% \times 60\% \times 90 \text{ sqm} \times £150 / \text{sqm} = £4.37\text{m}$

Windfalls expected to result in CIL receipts of **£8.02m**.

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<sup>1</sup> Assumption that CIL implementation will commence on 1<sup>st</sup> April 2016.

*Local Plan Allocated Site Assumptions*

Table 2. Local Plan Sites to come forward

Site	Zone	Local Plan Capacity	Assumptions	CIL Receipt
Blythe Valley	RA	600	Nil rate	£0m
Powergen	MS	130	20% Affordable housing (vacant building discount) 130 x 80% x 90 sqm x £75	£0.70m
Middlefield	RA	115	40% Affordable housing 115 x 60% x 90 sqm x £150 / sqm	£0.93m
Solihull Town Centre	MS	950	20% Affordable housing (vacant building discount) and 20% (existing use) 950 x 80% x 80% x 70 sqm x £75 / sqm	£3.19m
Riddings Hill	RA	65	40% Affordable housing 65 x 60% x 90 sqm x £150 / sqm	£0.53m
Meriden Road	RA	110	40% Affordable housing 110 x 60% x 90 sqm x £150 / sqm	£0.89m
<b>Total</b>				<b>£6.24m</b>

Total residential contribution towards CIL = £8.02m + £6.24m = **£14.26m**

**Residential – Based on an Uplift to the Solihull Local Plan Housing Target**

The estimate provided above is based on the housing target set out in the SLP. This has been subject to a successful legal challenge and a Court Order indicates that it should not be treated as an ‘adopted’ figure. Purely for the purposes of calculating a CIL income projection, a revised household projection figure of 608<sup>2</sup> dwellings per year has also been used as the basis for calculating income from CIL.

This would result in a potential additional 108 dwellings per year over the period 2011 to 2028 – i.e. an additional 1,836 dwellings to that included in the SLP.

At this stage no work has been undertaken to identify locations, or even broad locations, to accommodate any additional dwellings that may be required; other than the opportunity for some provision to be made as part of a mixed use development around the HS2 interchange<sup>3</sup>.

Purely for the purposes of this exercise, it will be assumed that a greater proportion of the additional 1,836 dwellings that may be required as a result of the GBSLEP Housing Needs Study will be within the Rural Area charging zone than the assumptions used in the distribution of windfall development noted above. A reasonable revised distribution is as follows: 10% of development in North Solihull, 40% in Mature Suburbs and 50% in rural area. Using the assumptions regarding house size, level of affordable housing etc. noted above, this would result in potential additional CIL income of:

<sup>2</sup> This is based on figures in the Phase 3 Housing Needs Study produced by Peter Brett Associates for the Greater Birmingham and Solihull LEP Housing Market Area, published in August 2015.

Available at: <http://centreofenterprise.com/shns/>.

<sup>3</sup> Located in the Rural Area of the CIL charging schedule.

Mature Suburbs:  $1,836 \times 40\% \times 60\% \times 90 \text{ sqm} \times £75 / \text{sqm} = £2.97\text{m}$

Rural Area:  $1,836 \times 50\% \times 60\% \times 90 \text{ sqm} \times £150 / \text{sqm} = £7.43\text{m}$

This gives an additional amount of **£10.4m** as a result of an uplift to the housing target in the SLP.

## Retail

Policy P2 of the SLP sets out the floorspace of new retail expected in the town centre. This indicates an expectation of 34,000 sqm of comparison floorspace by 2021, a further 23,000 sqm from 2021 to 2026 and an additional 2,800 sqm of convenience floorspace to 2026.

Assume 57,000 sqm of new comparison floorspace and a 20% reduction for existing floorspace.

Comparison retail CIL receipt =  $57,000 \times 80\% \times £25 / \text{sqm} = £1.14\text{m}$

Assume 2,800 sqm of new convenience floorspace and a 20% reduction for existing floorspace.

Convenience retail CIL receipt =  $2,800 \times 80\% \times £300 / \text{sqm} = £0.67\text{m}$

Total CIL receipts from retail = **£1.81m**

Table 3. Summary & Overall Totals

CIL Development	CIL Receipts (£m)			
SLP Windfall residential developments	8.02			
SLP Allocated residential developments	6.24			
SLP Residential Development Total		14.26		
Comparison retail	1.14			
Convenience retail	0.67			
Retail Development Total		1.81		
Development from SLP			16.07	
Residential development (uplift to SLP)			10.40	
<b>Total</b>				<b>26.47</b>

Based on development identified in the SLP, total CIL receipts of up to £16.07m could be expected over the plan period. An additional £10.4m may be possible through an uplift to the housing numbers in the SLP. This gives a likely maximum CIL receipt of £26.47m. This is still considerably less than the identified funding gap of £99.3m.