HS8: Matter 3 – Are the rates informed by, and consistent with, the evidence available?

Issue 5 – Retail

QUESTION 1

Are the levy rates for retail development justified by appropriate available evidence?

1. Yes, the testing of CIL in relation to retail development is consistent with the testing of the other development.

2. Tables 11.3a and 11.3b of CSD6, Viability Assessment Update (August 2022) shows the results of appraisals run with rates of CIL of up to £400/m^2. The table also considers CIL as a proportion of the Residual Value, and CIL as a proportion of the total development costs. This analysis is in line with Paragraph 25-021-20190901 of the PPG – to include a buffer the BLV has been lifted by 30%.

3. When taken together this analysis suggest that the proposed rates are appropriate.

QUESTION 2

Is it sufficiently clear which types of retail development will fall into the different charging categories?

4. Yes, the charging schedule provides explanatory notes on what types of retail development would fall within each category and where relevant there are maps showing the areas that are included. Comparable approaches have been taken by other Local Authorities with an adopted CIL for example, Castle Point Borough Council, Daventry, Leeds and Reigate and Banstead. Extracts from these CIL Charging Schedules are set out below:

Extract from Castle Point CIL Charging Schedule		
Retail	Convenience retail for the first 450 sqm gross internal area [3]	£200
	Convenience retail for each sqm 450 sqm gross internal area	£50
	Comparison retail outside of the town centre boundaries [4]	£200
Notes:	[3] Convenience retail provides lower value goods purchased regularly to meet day to day needs such as food, newspapers, petrol etc.	
	[4] Comparison retail provides higher value goods purchased less often, such as household items, electrical goods, clothes, shoes etc.	

Extract from Daventry CIL Charging Schedule		
Retail	Retail development in Daventry town centre retail zone	£0
	Retail development in all other places	£137.07
Notes:	None	

Extract from Leeds CIL Charging Schedule		
Retail	Supermarkets* > 500 sqm in City Centre	£110
	Supermarkets* > 500 sqm outside of City Centre	£175
	Comparison Retail > 1,000 sqm in City Centre	£35
	Comparison Retail > 1,000 sqm outside of City Centre	£55

Notes:	* Supermarket definition: Larger format foodstores that sell a full range of grocery items and are shopping destinations mainly used for a person's main weekly food shop, although generally they also contain a smaller range of comparison goods.	

Extract from Reigate and Banstead CIL Charging Schedule		
Retail	Retail development which is wholly or predominantly (1) for the sale of convenience goods (2) including superstores and supermarkets (3), throughout the borough.	£120
Notes:	[1] For the purposes of CIL, a development is considered to be predominantly for the sale of convenience goods where more than 50% of the net sales area is given over to the sale of such goods.	
	[2] Defined as everyday essential items including but not limited to food, alcoholic and non-alcoholic beverages, confectionary, tobacco, newspapers and periodicals and non-durable household goods.	
	[3] Superstores/supermarkets are defined as self-service stores which provide either weekly or top-up shopping needs and which sell mainly convenience good but can also include a proportion non-food, comparison floorspace as part of the mix.	

QUESTION 3

What is the justification for including a levy for retail development on Brentwood High Street, but not other forms of development in this location? Why are the circumstances relating to retail development different?

5. The retail analysis is based on Prime and Secondary retailing locations. Retailing has been through a challenging period of change and consolidation. Brentwood Borough includes a varied shopping offer, however, the prime area is very constrained and limited to Brentwood High Street.

6. By way of example the shopping area focussed on Shenfield Station is largely made up of small restaurants and takeaways, local estate agents and shops serving the immediate communities such as chemists and convenience shops. Whilst Ingatestone includes a slightly greater range of shops, it is not a shopping destination with a wider appeal. Brentwood High Street however, is thriving with a broad range of local and national retailers. This is reflected in the low vacancy rates and higher rents.