



Meeting of the

# CABINET

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Wednesday, 10 April 2013 at 5.30 p.m.

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## SUPPLEMENTAL AGENDA

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### VENUE

Committee Room, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

#### Members:

Mayor Lutfur Rahman	– (Mayor)
Councillor Ohid Ahmed	– (Deputy Mayor)
Councillor Rofique U Ahmed	– (Cabinet Member for Regeneration)
Councillor Shahed Ali	– (Cabinet Member for Environment)
Councillor Abdul Asad	– (Cabinet Member for Health and Wellbeing)
Councillor Alibor Choudhury	– (Cabinet Member for Resources)
Councillor Shafiqul Haque	– (Cabinet Member for Jobs and Skills)
Councillor Rabina Khan	– (Cabinet Member for Housing)
Councillor Rania Khan	– (Cabinet Member for Culture)
Councillor Oliur Rahman	– (Cabinet Member for Children's Services)

[Note: The quorum for this body is 3 Members].

#### Committee Services Contact:

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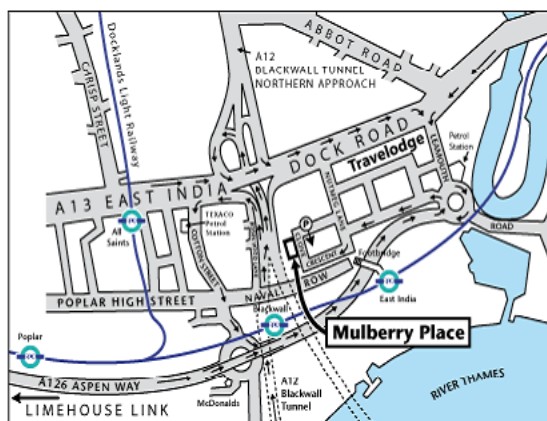
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**LONDON BOROUGH OF TOWER HAMLETS**

**CABINET**

**WEDNESDAY, 10 APRIL 2013**

**5.30 p.m.**

- 6 .2 Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (Pages 1 - 62)**

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# Agenda Item 6.2

<b>Committee/Meeting:</b> Cabinet	<b>Date:</b> 10 <sup>th</sup> April 2013	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 94/123
<b>Report of:</b>  Aman Dalvi, Corporate Director of Development and Renewal  <b>Originating Officer(s)</b> Owen Whalley Service Head (Planning and Building Control)		<b>Title:</b>  Community Infrastructure Levy (CIL) Draft Charging Schedule  <b>Wards Affected:</b> All	

<b>Lead Member</b>	Councillor Rabina Khan
<b>Community Plan Theme</b>	A Great Place to Live
<b>Strategic Priority</b>	Provide effective local services and facilities

## 1. **SUMMARY**

- 1.1 The Community Infrastructure Levy (CIL) is a new levy that local authorities (known as Charging Authorities in this context) can charge on developments in their area to help fund infrastructure to support development and growth in an authority's area. The Mayor of London has already implemented a CIL to fund strategic transport and this charge will run in conjunction with the charges of all London local authorities.
- 1.2 This report seeks approval for the Draft Charging Schedule attached at Appendix 1, for public consultation, which sets out the proposed charges for the introduction of the Council's own CIL.
- 1.3 This Draft Charging Schedule has been informed by the results of the previous consultation on the Preliminary Draft Charging Schedule which was approved by Cabinet on the 7<sup>th</sup> November 2012. The *Community Infrastructure Levy: Preliminary Draft Charging Schedule - Summary of Consultation Responses* Report attached at Appendix 3 provides information relating to the nature of the representations received in relation to the consultation on the Preliminary Draft Charging Schedule.
- 1.4 This report should be considered in conjunction with the Cabinet report requesting the approval of a Revised Planning Obligations Supplementary Planning Document (SPD) for consultation; which is also an agenda item at this Cabinet meeting. If adopted the Council's CIL will replace requirements for certain planning obligations. The Revised Planning Obligations SPD clarifies the extent to which Section 106 (S106) contributions will be sought for delivering certain infrastructure and services at the site-specific scale.

## 2. **DECISIONS REQUIRED**

The Mayor in Cabinet is recommended to:-

- 2.1 Approve the *Tower Hamlets Community Infrastructure Levy (CIL) Draft Charging Schedule* (Appendix 1) for a six week public consultation including the charging zone maps and Regulation 123 List (the list of projects Tower Hamlets intends to be able to spend its CIL receipts on).
- 2.2 Note the *Infrastructure Planning and Funding Gap Report* (Appendix 2) that forms part of the supporting evidence base to the Draft Charging Schedule. This document informs in respect of the infrastructure planning criteria Tower Hamlets must meet in order to implement a CIL Charging Schedule.
- 2.3 Note the *Community Infrastructure Levy: Preliminary Draft Charging Schedule - Summary of Consultation Responses* Report attached at (Appendix 3) that forms part of the supporting evidence base to the Draft Charging Schedule.
- 2.4 Note BNP Paribas Real Estate's *Viability Study* that forms part of the supporting evidence for the Draft Charging Schedule.
- 2.5 Note the Cabinet report regarding the Planning Obligations SPD, running as a consecutive Agenda item, as relating to this report.
- 2.6 Authorise the Corporate Director of Development and Renewal, in consultation with the Lead Members for Housing and Resources, to make any minor modifications to the Draft Charging Schedule and supporting evidence following the public consultation and to submit the Draft Charging Schedule and all supporting evidence, together with any proposed modifications, to the Planning Inspectorate for public examination.

## 3. **REASONS FOR THE DECISIONS**

- 3.1 The reason for the decision is for Cabinet to agree the publication of rates set at a level that ensures the proper basis for the introduction of the CIL in the borough, which mitigates the impacts of development and leads to the provision of much needed supporting infrastructure.
- 3.2 The Council must set out its proposed rates in a Draft Charging Schedule and invite representations in accordance with Regulation 16 of the CIL Regulations 2010 (as amended).
- 3.3 The Council can choose to set differential rates in the Draft Charging Schedule, and for different areas, but it must aim to strike what appears to it to be an appropriate balance between: -

(a) The desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the

development of its area, taking into account other actual and expected sources of funding; and

(b) The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area. In doing so, the Council must also take into account the rates set by the Mayor in his Charging Schedule.

#### **4. ALTERNATIVE OPTION**

- 4.1 To not proceed with a Tower Hamlets Charging Schedule would mean not being able to move forward with the introduction of CIL in the borough. This will severely limit the Council's ability to raise funds, for the identified infrastructure needs of the borough and support the levels of projected growth. It should be noted that the scope for securing infrastructure funding through S106 agreements will be far more constrained from April 2014.
- 4.2 If the Council does not adopt a CIL Charging Schedule, it will be difficult to deliver the required infrastructure to mitigate development impact and support much needed improvements to the borough.

#### **5. BACKGROUND**

- 5.1 The CIL is a new levy that local authorities (known as Charging Authorities in this context) can charge on developments in their area to help fund infrastructure to support development and growth in an authority's area. CIL was provided for in the 2008 Planning Act. The CIL Regulations 2010 (as amended) set out the detailed provisions for its operation. There could be further amendments to the Regulations in 2013.
- 5.2 The Council must also have regard to any guidance issued by the Secretary of State under section 221 of the 2008 Planning Act about any matter connected with CIL. At the time that Cabinet was asked to approve the Preliminary Draft Charging Schedule on 7<sup>th</sup> November 2012 for public consultation, the relevant guidance note was the "Community Infrastructure Levy Guidance: Charge setting and charging schedule procedures" dated March 2010. The Secretary of State has replaced the guidance note with the "Community Infrastructure Levy – Guidance", published in December 2012. The main changes that have been made are noted in the concurrent report from Legal Services below.
- 5.3 As Cabinet will be aware, the Mayor of London introduced his own CIL for funding Crossrail, which has been in operation since 1 April 2012. The Council must take this into account when setting its own CIL rates. The Mayor has also published a SPG on the "use of planning obligations in the funding of Crossrail" (July 2010) and has issued for public consultation a draft supplementary planning guidance on 'Use of planning obligations in the funding of Crossrail, and the Mayoral Community Infrastructure Levy' (Consultation closed on 15 January 2013). It has been assumed that this will come into force by the time the Council introduces its own CIL, and the

effect of this has therefore also been taken into account in choosing the appropriate CIL rates in the Draft Charging Schedule.

## **6. Preliminary Draft Charging Schedule**

6.1 The Preliminary Draft Charging Schedule was consulted on between the 16<sup>th</sup> November 2012 and the 2<sup>nd</sup> January 2013. This followed receiving Cabinet approval to do so on the 7<sup>th</sup> November 2012.

6.2 The overarching aim of the consultation was to provide an opportunity for involvement from a wide range of groups and individuals, to proactively encourage participation. The consultation was undertaken in compliance with Regulation 15 of the CIL Regulations 2010 (as amended) and the Planning Act 2008 which sets out the consultation requirements for the Preliminary Draft Charging Schedule and included:

- Placing an advert in the East End Life newspaper prior to the commencement of the consultation period.
- Making consultation documents available via the Council's website. They were also available in hard copy at the Planning Desk in the Town Hall and the main Idea Stores and Libraries throughout the Borough.
- Holding an event for Councillors regarding CIL and the consultation.
- Holding an event for developers, interested parties and the public regarding CIL.

### ***Representations Received in Relation to the Preliminary Draft Charging Schedule Consultation***

6.3 Thirty consultation responses were received from a range of developers and local stakeholders. These Responses also refer to the Secretary of State's December 2012 Guidance. CIL Knowledge's report *Community Infrastructure Levy: Preliminary Draft Charging Schedule - Summary of Consultation Responses*, attached at Appendix 3, contains a summary and analysis of the main topics of the representations received. The Report also outlines how the Council's responses to these representations.

6.4 In accordance with Regulation 15(7) of the CIL Regulations 2010 (as amended), all representations were taken into account and any changes that were considered to be necessary have been made to the Draft Charging Schedule (as highlighted in section 7.1 below).



## 7. Draft Charging Schedule

### ***Modifications Made to the Draft Charging Schedule to Account for Representations Received in relation to the Preliminary Draft Charging Schedule***

7.1 The CIL rates in the Draft Charging Schedule have been altered to account for the additional viability work undertaken in response to the representations received and to the CIL guidance published by the Secretary of State in December 2012. The Draft Charging Schedule, attached at Appendix 1, details these rate proposals.

7.2 A number of changes have been made to the rates. These are in summary:

a) The office rate in North Docklands has been reduced from £125 to £100.

Rationale: The revised rate takes account of the likely effect of the Mayor of London's Crossrail SPG charge. It has been based on the reasonable assumption that there will be a 70% negotiated reduction in the top-up. Section 4.54 of the Viability Report, which forms a background document to this Cabinet Report, advises that this is reasonable approach to determine the rates proposed. The office rates for North Docklands and the City Fringe have also now been separated, as explained below.

b) The office rate in the City Fringe has been increased from £125 to £215.

Rationale: The rate as stated in the Preliminary Draft Charging Schedule for the City Fringe area was set to a flat rate across the zone, in order to align with the rates established for North Docklands. This was to ensure that the CIL rates were not too complex. The additional viability work has established that it is no longer appropriate to set a flat rate across this zone, and so the rates have been separated. The new rate for the City Fringe has been separately justified.

c) The hotel rate has been reduced from £425 to £210.

Rationale: This is to account for the availability of additional evidence to help inform the viability work. Again, this rate accounts for the likely effect of the London Mayor's Crossrail SPG charge, as defined in section a) above.

d) The small retail rate has been reduced from £100 to £70.

Rationale: This is to account for the availability of additional evidence to help inform the viability work and the likely effect of the London Mayor's Crossrail SPG charge.

e) The large retail rate has decreased from £200 to £195.

Rationale: This as a result of the adoption of new viability methodology that separates large convenience based retail outlets from smaller high street

retail accommodation. The examination in public for Plymouth City Council established that this approach was a reasonable one.

- 7.3 As part of the process for preparing the Draft Charging Schedule all the relevant boundaries were re-examined. This resulted in changes to the boundaries for the residential zones to account for the additional viability work undertaken, following representations received and the CIL Guidance published by the Secretary of State in December 2012. The map in the Draft Charging Schedule, attached at Appendix 1, illustrates the newly established charging zone boundaries.
- 7.4 The rates and zone boundaries as set out in the Draft Charging Schedule (attached at Appendix 1) are subject to the outcomes of the consultation and examination in public process.

#### ***Consultation on Draft Charging Schedule***

- 7.4 This consultation will be undertaken in compliance with Regulation 16 of the CIL Regulations 2010 which sets out the consultation requirements for the Draft Charging Schedule.
- 7.5 It is intended that the consultation will run for just over six weeks to allow for public holidays, from the 22<sup>nd</sup> April 2013 until the 5<sup>th</sup> June 2013.
- 7.6 Hard copies of the Draft Charging Schedule will be available at the Planning Desk and in the main Idea Stores and Libraries throughout the borough and an advert regarding the consultation will be placed in the East End Life.
- 7.7 It is intended that two public events will be held by the Council to provide the opportunity for the public, developers and other interested parties to discuss CIL and the consultation with officers.

#### **8. FUTURE PROCESSES**

- 8.1 Subject to approval at Cabinet and following the consultation period on the Draft Charging Schedule, any required amendments will be made and will be submitted, along with the supporting evidence documents, to the Planning Inspectorate. It is intended that the Draft Charging Schedule will be the subject of an independent CIL examination in autumn 2013 following submission to the Planning Inspectorate in summer 2013.
- 8.2 In accordance with section 213 of the Planning Act 2008, the Council may only adopt a CIL Charging Schedule where the examiner's report does not recommend rejection, and it must pay due regard to any recommendations made by the examiner and remedy any areas where the drafting requirements have not been complied with.
- 8.3 It is anticipated that the Charging Schedule will be submitted to full Council at the end of 2013/early 2014 for approval. If approved, the Charging Schedule will be implemented in early 2014.

8.4 Charging Authorities will be able to amend their Charging Schedules at any point following the adoption of their Charging Schedule, subject to a full consultation process and subsequent examination in public.

## **9. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

9.1 In November 2012, the Mayor in Cabinet approved the Tower Hamlets Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule which was then submitted for a 6 week public consultation period. Following the completion of the consultation and consideration of the responses received, this further report seeks Mayoral approval to amend elements of the schedule, as laid out in paragraphs 7.1 and 7.2, and undertake further consultation into the amended Charging Schedule.

9.2 It is intended that the Council's CIL may come into effect by April 2014, although in advance of this, the Borough is currently responsible for the collection of the Mayor of London's CIL which came into operation on 1 April 2012. The Mayoral CIL is independent of the Council's CIL requirement.

9.3 The Community Infrastructure Levy will replace elements of the current Section 106 planning process which will continue in a reduced capacity. The Authority currently generates substantial resources via the Section 106 system, and this will continue under the CIL. It is therefore important that the charges are set at a realistic level that enables the generation of significant community resources in tandem with the delivery of viable developments.

9.4 The Charging Schedule has been developed by officers in conjunction with external advisors, and has been prepared in accordance with the Authority's infrastructure needs and development viability. The Draft Charging Schedule is attached at Appendix 1. It is anticipated that in the period to 2026, CIL will generate resources of approximately £134.4 million. The Charging Schedule will ultimately be subject to an independent examination by the Planning Inspectorate later this year, following which the Charging schedule will be submitted to full Council for implementation in April 2014.

9.5 Paragraph 2.2 of the Draft CIL Infrastructure Planning and Funding Gap Report (attached as Appendix 2) outlines the revised likely infrastructure needs within the borough over the period to 2026. These are valued at approximately £439 million of which indicative funding of £245.6 million has potentially been identified across the various public agencies. This leaves a funding gap of approximately £193.4 million before CIL charges. It should be noted that these are the infrastructure needs of all the major public sector organisations within the borough, and it is not solely the Council which must seek additional resources to meet the assumed infrastructure need.

9.6 The infrastructure needs and the likely resources available must be continually reviewed, but based on the assessments within the CIL Infrastructure Planning and Funding Gap Report, the funding gap of £193.4 million (paragraph 9.5) will be significantly filled through the estimated CIL

income of £134.4 million (paragraph 9.4), leaving an overall indicative funding need of £59 million across the organisations within the Borough.

9.7 The costs of the consultation process are being met from within existing resources.

## **10. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

10.1 The statutory framework for CIL is set out in sections 205-225 of the Planning Act 2008 (PA 2008) and further detail is provided principally under the CIL Regulations 2010.

10.2 The legal requirements for the preparation of a CIL Charging Schedule are set out under s211 of the PA 2008. The Schedule must be informed by appropriate available evidence regarding viability. The Council's Draft Charging Schedule is set out at Appendix 1 of this report.

10.3 Charging authorities must consult on their proposed CIL rates before they finalise the Draft Charging Schedule (section 211(7) of the PA 2008 and Regulation 15, CIL Regulations 2010). Following a 6 week statutory consultation, the Draft Charging Schedule is submitted for independent examination. Upon the Examiner's recommendations being issued, final approval will be required from full Council to adopt the Charging Schedule, in accordance with s 213 of the PA 2008.

10.4 This report confirms that the Council has consulted on the Preliminary Draft Charging Schedule in satisfaction of Regulation 15, and seeks members' approval to carry out public consultation on the Council's Draft Charging Schedule in accordance with the PA 2008 and CIL Regulations 2010 (Regulation 16). Following consultation, the Draft Charging Schedule will be submitted to the Planning Inspectorate for public examination.

10.5 The legislation on CIL does not prescribe how decision making within an authority should operate in order to formulate a charging schedule save from requiring that an approved charging schedule should be approved by a resolution of Full Council (PA 2008, s213(2)). The Local Government Function Regulations have not been amended in respect of CIL charging schedules.

10.6 CIL is a planning policy function and forms part of the Council's Local Development Framework (LDF), and to this extent the CIL Charging Schedule can be considered similar to LDF documents such as Local Development Documents. Therefore it is considered appropriate to follow the same decision making process in respect of submission of the Draft Charging Schedule for consultation and for examination, which is to seek approval from Cabinet.

10.7 Accordingly, Cabinet members are authorised to approve the Council's Draft Charging Schedule for public consultation and to authorise the Director of

Development and Renewal to submit the Draft Charging Schedule to the Planning Inspectorate for public examination. The final decision as to adoption of the CIL Charging Schedule will be for Full Council.

- 10.8 Before adopting the Charging Schedule, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. The report indicates that an equality impact assessment has been carried out to assist the Council to consider these matters (see paragraph 11.2 below). This assessment is to be made available to the public as part of the consultation, which should increase the likelihood of the Council meeting its equality duty.
- 10.9 The Council must also have regard to any guidance issued by the Secretary of State under section 221 of the 2008 Planning Act about any matter connected with CIL. The important point to note here is that this Guidance has changed since the Cabinet was asked to approve the Preliminary Draft Charging Schedule on 7<sup>th</sup> November 2012. Fortunately, the new Guidance was issued during the period allowed for public consultation on the Preliminary Draft Charging Schedule, and the responses that the Council received were able to take it into account. The Council has also on its own account reconsidered the Charging Schedule in the light of the new Guidance, the "Community Infrastructure Levy – Guidance", published in December 2012. The Draft Charging Schedule and its supporting evidence now take account of these new considerations. The principle changes, following the issue of this guidance, are related to:
- (a) The evidence tests at examination, as the Council will now need to 'show and explain' how its CIL rates contribute positively towards, and not threaten delivery of its relevant (development) plan as a whole, now and through the economic cycle;
  - (b) The introduction of a clear thread between:
    - 1. Plan making evidence on Infrastructure need,
    - 2. The evidence on the aggregate infrastructure gap, that proves the need for CIL,
    - 3. The draft regulation 123 list that is now required at examination, that sets out the charging authorities spending plans;
  - (c) Showing that in assessing the impact of the charging rates on the delivery of the plan as a whole, the Council has taken into account:
    - 1. The costs associated with regulatory requirements,
    - 2. Policies on planning obligations, including affordable housing strategic sites;
  - (d) The need to explain, at examination, how CIL and S106 will operate if/when a CIL has been adopted;

(e) Requiring the Council to consult if they change the Regulation 123 CIL spending list, and to review the charging schedule if the change to the list affects viability;

(f) Developers are expected to give the Council support with evidence and the Council is encouraged to engage early with developers and be clear about its infrastructure needs and how they will be paid for.

## **11. ONE TOWER HAMLETS CONSIDERATIONS**

11.1 The proposed CIL could be used to fund appropriate (capital infrastructure) projects may fund projects that will contribute to the One Tower Hamlets objectives of reducing inequalities; ensuring community cohesion; and strengthening community leadership.

11.2 An Equalities Analysis was undertaken as part of the preparation of the CIL Preliminary Draft Charging Schedule. The results of this scoping, which indicated that the impact of CIL is neutral, meant that it was not necessary to repeat this process at the Draft Charging Schedule stage.

## **12. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

12.1 A Strategic Environmental Assessment Screening was undertaken at the Preliminary Draft Charging Schedule stage, which concluded that it was not necessary to prepare a Strategic Environmental Assessment. The results of this assessment and the similarity in the consultations mean that it was not necessary to repeat this exercise for the Draft Charging Schedule stage.

12.2 CIL can be used to raise monies from individual development projects towards infrastructure which may include projects, to support a greener environment and aid sustainable development. However the proposed Charging Schedule is not a plan or programme but a financial tool.

## **13. RISK MANAGEMENT IMPLICATIONS**

13.1 The 2008 Planning Act and the CIL Regulations require that the rate the CIL will be levied at in the Borough should be assessed independently. As previously mentioned, the aim is to strike an appropriate balance between the 'desirability of funding infrastructure through CIL and the potential effects of its introduction on the economic viability of development across the Borough.

13.2 If the CIL is set too high, there is a risk that it will be challenged at examination and potentially be found unsound, because of the harm to the economic viability of development across the borough. Further significant work would then be required to reassess the level at which the CIL is set. If the CIL is set too low there is a risk that necessary social, physical and green infrastructure will not be able to be provided; putting at risk the Council's strategic objective of ensuring the borough is a great place to live.

13.3 It is considered that that the rates proposed as set out in the Draft Charging Schedule strike an appropriate balance. The viability assessments have been undertaken by experienced experts involving in-depth research based on the appropriate available evidence gathered including ensuring policy compliant provision of affordable housing (35%) is accounted for. We will be further informed of the appropriateness of the rates by the consultation on the Draft Charging Schedule. Overall it is considered that the risk of the proposed CIL rates being found unsound by an independent inspector is low.

#### **14. CRIME AND DISORDER REDUCTION IMPLICATIONS**

14.1 CIL is a new development levy that could raise funds for infrastructure projects. This could include infrastructure that reduces the incidences and fear of crime. The potential use of CIL funds for these purposes will be developed through consultation with the Community Safety manager.

#### **15. EFFICIENCY STATEMENT**

15.1 The operation of both the London Mayor CIL and in future, the Tower Hamlet's CIL may be an administration burden on the Council with additional staff needing to be employed. The CIL Regulations enable the Council to recoup the costs of administrating CIL from the levies collected. The Council are also able to keep up to 4% from the London Mayoral CIL receipts to fund admin costs and up to 5% from LBTH CIL receipts.

#### **16. APPENDICES**

Appendix 1 – LBTH Draft Charging Schedule

Appendix 2 – LBTH Infrastructure Planning and Funding Gap Report.

Appendix 3 – Community Infrastructure Levy: Preliminary Draft Charging Schedule - Summary of Consultation Reponses

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### **Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012**

#### **List of “Background Papers” used in the preparation of this report**

LBTH CIL Viability Study, BNP Paribas (updated 2013)  
2010 Adopted Core Strategy  
2012 Adopted Fish Island Area Action Plan  
2012 Managing Development – DPD (Post Examination in Public version)  
2012 CIL Preliminary Draft Charging Schedule Equalities Analysis  
DCLG's "Community Infrastructure Levy Guidance: Charge setting and charging schedule procedures" (March 2010)  
DCLG's "Community Infrastructure Levy – Guidance" (December 2012)  
DCLG's "Use of planning obligations in the funding of Crossrail, and the Mayoral Community Infrastructure Levy" (2013)  
Mayor of London's SPG on the "use of planning obligations in the funding of Crossrail" (July 2010)

Consultation draft SPG on 'Use of planning obligations in the funding of Crossrail, and the Mayoral Community Infrastructure Levy' (2012).

**Name and telephone number of holder and address where open to inspection:**

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# **COMMUNITY INFRASTRUCTURE LEVY (CIL) DRAFT CHARGING SCHEDULE**

**March 2013**

## 1. The Charging Authority

- 1.1 The London Borough of Tower Hamlets is a Charging Authority for the purposes of Part 11 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy (CIL) in respect of development in Tower Hamlets.

## 2. Date of Approval

- 2.1 This Charging Schedule was approved by the Council on (date to be inserted following examination and Council approval).

## 3. Date of Effect

- 3.1 This Charging Schedule will come into effect on (date to be inserted following the examination and Council approval).

## 4. Liability to Pay CIL

- 4.1 A chargeable development is one for which planning permission is granted and or which is liable to pay CIL in accordance with the CIL Regulations as currently drafted.

- 4.2 CIL will be chargeable on most new development, which: -

- Involves a building<sup>1</sup> into which people usually go (but excluding buildings to which people do not usually, or go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery building(s); and
- Involves floorspace that is not exempted under the Act, the Regulations or for a locally defined reason to be set out in the Appendix 2 of this document; and
- Involves new build<sup>2</sup> of at least 100m<sup>2</sup> gross internal area (GIA) floorspace; or
- Involves new build of less than 100m<sup>2</sup> GIA floorspace but the creation of one or more dwellings; or
- Involves change of use to residential where floorspace has not been in use for 6 months of the previous 12 on the day planning permission first permits the development<sup>3</sup>; or
- Includes development permitted by a 'general consent'<sup>4</sup> (including permitted development) commenced on or after 6<sup>th</sup> April 2013; or

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<sup>1</sup> The definition of a 'building' is given by section 336(1) of TCPA 1990. Building 'includes any structure or erection, and any part of a building, as so defined, but does not include plant or machinery comprised in a building.'

<sup>2</sup> The definition of 'new build' is given by Amended CIL Regulations 2011. "New build' means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings."

<sup>3</sup> "Planning permission first permits development" is defined in regulation 8 of the CIL regulations 2010 (as amended).

<sup>4</sup> "General consent" is defined in the regulation 5 of the CIL regulations 2010 (as amended).

- Includes development that received a planning permission replacing extant and unimplemented permissions granted before 1<sup>st</sup> October 2010.

## 5. Rates of CIL

5.1 The Council intends to charge differential rates of CIL, which are to be determined by the land use of a proposed development (expressed as pounds per square metre) and by the area where a proposed development is situated, as set out in the table 1 below.

5.2 Please be aware that the rates set out in the table below are exclusive of the London Mayoral CIL applicable to Tower Hamlets, which is currently £35 per sq. m.

5.3 In establishing the rates, set out in the table below, a policy compliant affordable housing provision of 35% was assumed.

Table 1: Rates

Development type	Proposed CIL rate per sq. m (GIA) of development		
Residential	<i>Zone 1</i>	<i>Zone 2</i>	<i>Zone 3</i>
	£200	£65	£35
Student Housing	£425		
Hotel	£210		
Offices	<i>City Fringe</i>	<i>North Docklands</i>	<i>Rest of Borough</i>
	£215	£100	£0
Small Retail (280 sq m or less)	<i>Elsewhere in Borough</i>		<i>City Fringe/North Docklands</i>
	Nil		£70
Convenience-based supermarkets, superstores and retail warehousing over 280 sq. m*	£195		
All other uses	Nil		

\* The Wycombe District CIL Examination report explicitly noted that “there is nothing in the CIL regulations to prevent differential rates for retail developments of different sizes, provided they are justified by the viability evidence and differing retail characteristics or zones”. For the purposes of this Draft Charging Schedule, the following definitions are applicable: -

Superstores/supermarkets are defined as shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit

Retail warehousing is defined as shopping destinations specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering for a significant proportion of car-borne customers.

## **6. Charging Zones**

- 6.1 The charging zones referred to in the above table are demonstrated in the Charging Zones Maps, attached at Appendix 1 of this document.
- 6.2 The areas hatched and indicated as constituting the London Legacy Development Corporation Area in the attached maps do not form part of Tower Hamlets' Charging Authority. This area will be subject to CIL rates as set out by the London Legacy Development Corporation.

## **7. Calculating the Chargeable Amount**

- 7.1 CIL will be calculated on the basis set out in Part 5 of the Community Infrastructure Levy Regulations 2010 (as amended).

## **8. Inflation and Indexation**

- 8.1 The rates referred to in Table 1 above shall be subject to annual indexation in keeping with the "All-in Tender Price Index" published by the Building Cost Information Service (BCIS). The rates should be increased by an amount equivalent to the increase in the index from the date hereof until the date on which the sums are payable provided that in the event that the "All-in Tender Price Index" shall decrease, the sum not fall below the figures set out.

## **9. Regulation 123 List**

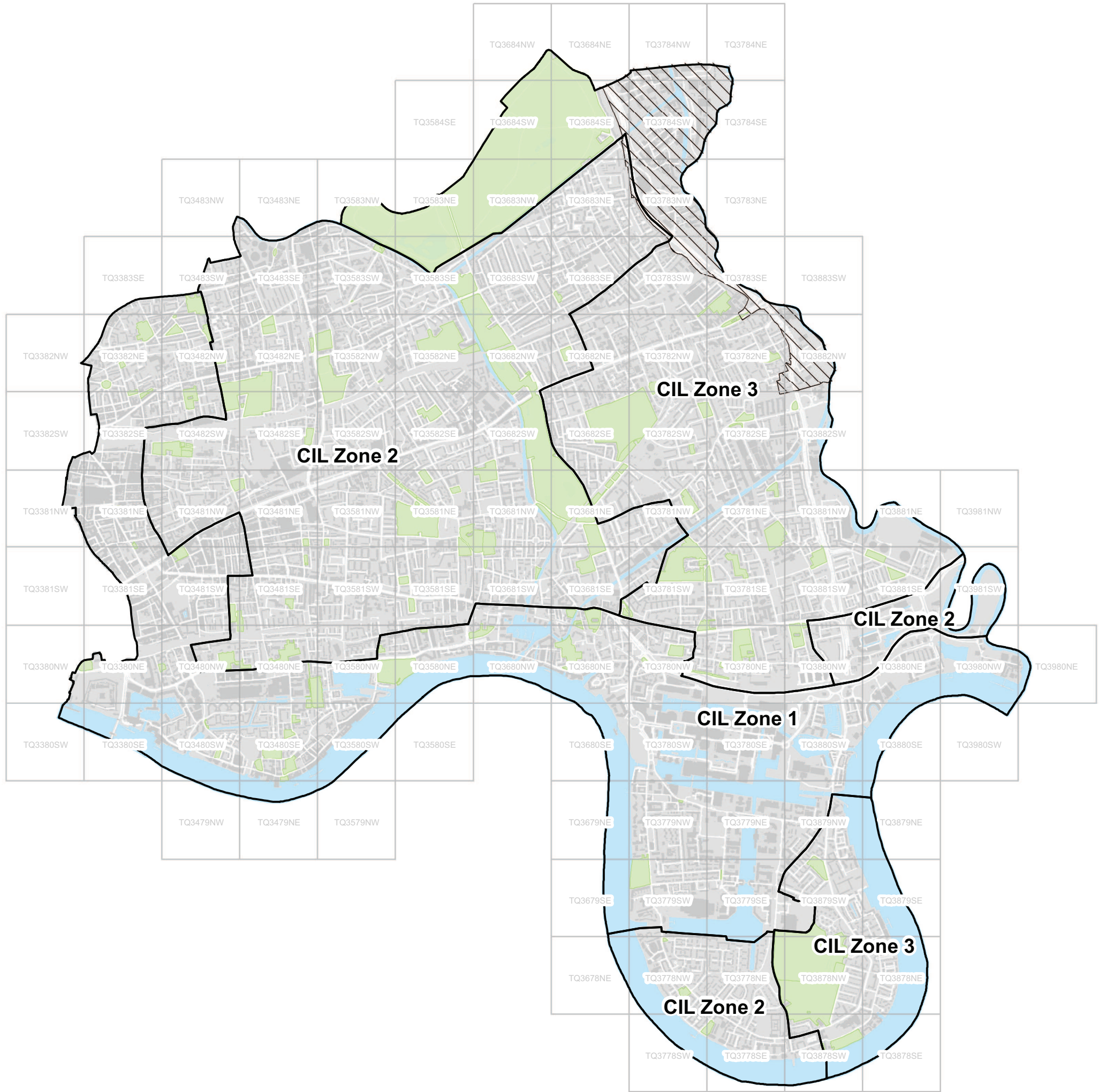
- 9.1 The Regulation 123 List is a list of types of infrastructure a Charging Authority intends to spend it's CIL receipts on.
- 9.2 Please see attached, at Appendix 3, Tower Hamlets' draft Regulation 123 list.




## **10. Further Information**

- 10.1 This Draft Charging Schedule has been published in accordance with the Community Infrastructure Levy Regulations 2010 as amended by subsequent the Community Infrastructure Levy Regulations, and Part 11 of the Planning Act 2008.
- 10.2 Further information on the Community Infrastructure Levy is available on the Council's website [www.towerhamlets.gov.uk/CIL](http://www.towerhamlets.gov.uk/CIL)

## **Appendix 1: Charging Zone Maps**

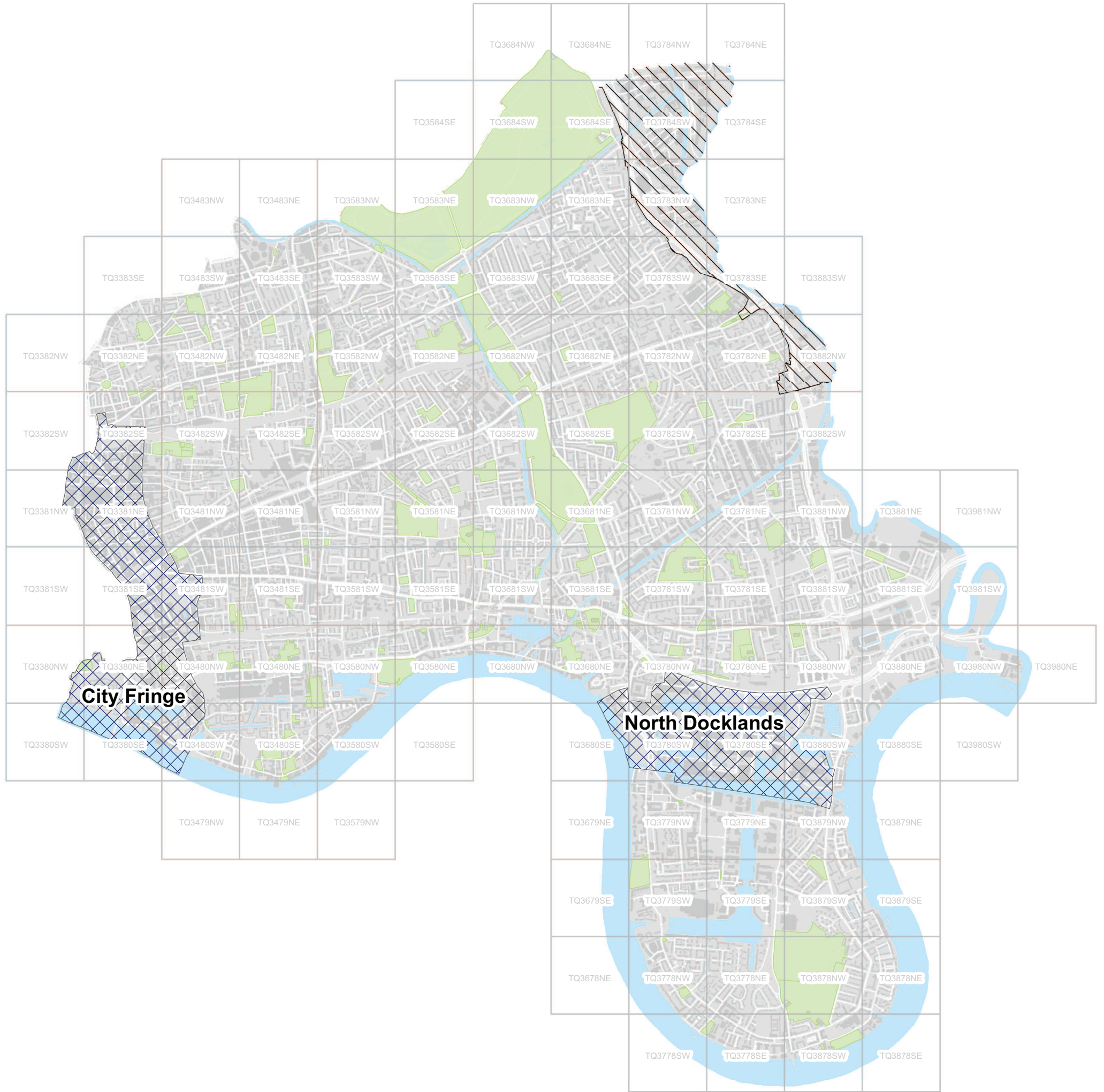







-  Draft Residential Charging Zone Boundaries
-  Ordnance Survey Grid (*Labels represent grid reference*)
-  London Legacy Development Corporation Area







-  Draft Office & Small Retail Charging Zones
-  Ordnance Survey Grid (Labels represent grid reference)
-  London Legacy Development Corporation Area



## Appendix 2: Explanatory Notes to the Draft Charging Schedule

1. Please note that this Appendix 2 does not formally constitute part of the Community Infrastructure Levy Draft Charging Schedule of the London Borough of Tower Hamlets.

### 2. Exemptions and Relief

- 2.1 For the avoidance of doubt, the following types of development will usually be exempt from the payment of the London Borough of Tower Hamlets' CIL:
  - A use which has a zero or nil charge (£0/m<sup>2</sup>) set out in the Tower Hamlets' CIL Charging Schedules.
  - A development, which does not fall within the definition of a "chargeable development" (regulation 9 of the CIL Regulations 2010 (as amended)).
  - Dwellings let by registered providers of social housing for the purpose of being socially rented or occupied in accordance with shared ownership arrangements, subject to the specific provisions of Regulation 49 of the CIL Regulations (2010) (as amended).
  - Charities where the development will be used wholly, or mainly, for charitable purposes (regulation 43 of the CIL Regulations 2010 (as amended)).
- 2.2 Under sections 55 to 58 of the CIL Regulations 2010 (as amended), the Council has the option to provide discretionary relief in 'exceptional circumstances'. The Council intends to consider exceptional relief applications on a case by case basis.

### 3. Instalment Policy

- 3.1 Regulation 70 of the CIL Regulations 2010 (as amended) provides options for a Charging Authority to adopt an instalment policy, which will allow developers/liable parties to pay for the levy by instalments.
- 3.2 At present, the Mayor of London has proposed an instalment policy, which will allow two instalments for developments with a CIL liability equal to or more than £500,000. He plans to adopt this instalment policy and implement it sometime in 2013. Therefore, the Council is proposing not to develop its own instalment policy but to implement the London Mayor's approach.

### 4. The CIL's Relationship with S 106

- 4.1 By 6th April 2014, or the date when Tower Hamlets' Charging Schedule takes effect, the use of Section 106 will be largely scaled back. The Council is developing a new Planning Obligations Supplementary Planning Document which will define where S106 will be sought and where CIL will be sought in relation to the delivery of infrastructure. This is to ensure that a developer is not charged twice for the provision of the same infrastructure.



## **5. Reporting and Review**

- 5.1 Regulation 62 of the CIL Regulations 2010 (as amended) requires the Charging Authority to publish annual reports for each financial year.
- 5.2 The Council will keep the operation of the CIL and the position regarding the funding and economic viability evidence under continual review and, where necessary, will seek to renew the Charging Schedule in accordance with the latest Government guidance and legislation.

## **6. Meaningful Proportion**

- 6.1 A ‘meaningful proportion’ of CIL receipts will be made available to the local community to spend. This “meaning proportion” will amount to between 15% and 25% of total annual CIL receipts.

## **7. Monitoring and Administration**

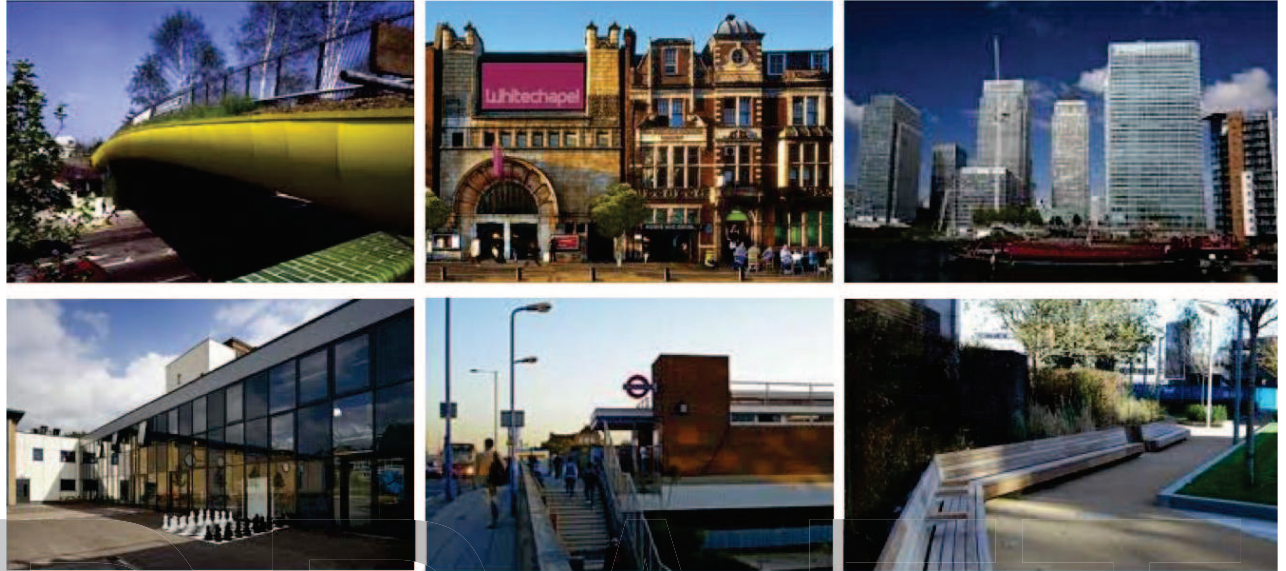
- 7.1 The London Borough of Tower Hamlets will seek to collect between 4% and 5% of CIL charges relating to Mayoral CIL and Tower Hamlets’ own CIL respectively. This will be used for monitoring and administrative purposes in accordance with the CIL Regulations 2010.

## Appendix 3: Draft Regulation 123

Proposed to take effect from 1<sup>st</sup> February 2014.

### **Types of infrastructure to be funded by CIL: -**

- The provision, improvement, replacement, operation or maintenance of new and existing community facilities and faith buildings;
- The provision, improvement, replacement, operation or maintenance of new and existing public education facilities;
- The provision, improvement, replacement, operation or maintenance of new and existing leisure facilities such as sports facilities, libraries and Idea Stores;
- The provision, improvement, replacement, operation or maintenance of new and existing open space;
- The provision, improvement, replacement, operation or maintenance of new and existing roads and other transport facilities;
- The provision, improvement, replacement, operation or maintenance of new and existing health facilities;
- The provision, improvement, replacement, operation or maintenance of new and existing employment and training facilities;
- The provision, improvement, replacement, operation or maintenance of new and existing energy and sustainability infrastructure to help meet sustainability objectives;
- The provision, improvement, replacement, operation or maintenance of new and existing flood defences;
- The provision, improvement, replacement, operation or maintenance of new and existing electricity supplies to all Council managed markets;
- The provision, improvement, replacement, operation or maintenance of new and existing infrastructure dedicated to public safety (e.g. wider CCTV coverage);
- The provision, improvement, replacement, operation or maintenance of new and existing infrastructure dedicated to public art;
- Unless the need for specific infrastructure contributions are identified in the Planning Obligations Supplementary Planning Document or arises directly from five or fewer developments, where section 106 arrangements may continue to apply if the infrastructure is required to make the development acceptable in planning terms.



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CIL Infrastructure Planning  
and Funding Gap Report



## Purpose of the Report

This report has been prepared by the CIL Knowledge Partnership on behalf of London Borough of Tower Hamlets ('The Council') as part of the infrastructure planning evidence base in support of the Community Infrastructure Levy (CIL).

This document constitutes an update of the report prepared for publication alongside the Preliminary Draft Charging Schedule; this report incorporates the requirements imposed by the new DLCG CIL Guidance published in December 2012 and updates that the Council has made to reflect its latest infrastructure priorities.

## Structure of Document

We have structured this document in the following way:

- Section 1: Our Approach to Testing the Sufficiency of the Infrastructure Evidence Base
- Section 2: Outcomes from Stage 1 Commission and Actions for Stage 2
- Section 3: Our Approach to Completing Stage 2
- Section 4: Our Findings from the Stage 2 Work
- Section 5: Summary of Sufficiency Assessment

### Appendices

- Appendix A: CIL Projects Schedule
- Appendix B: Summary Tables
- Appendix C: Extract of CIL Income Projection Model

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# 1 Our Approach to Testing the Sufficiency of the Infrastructure Evidence Base

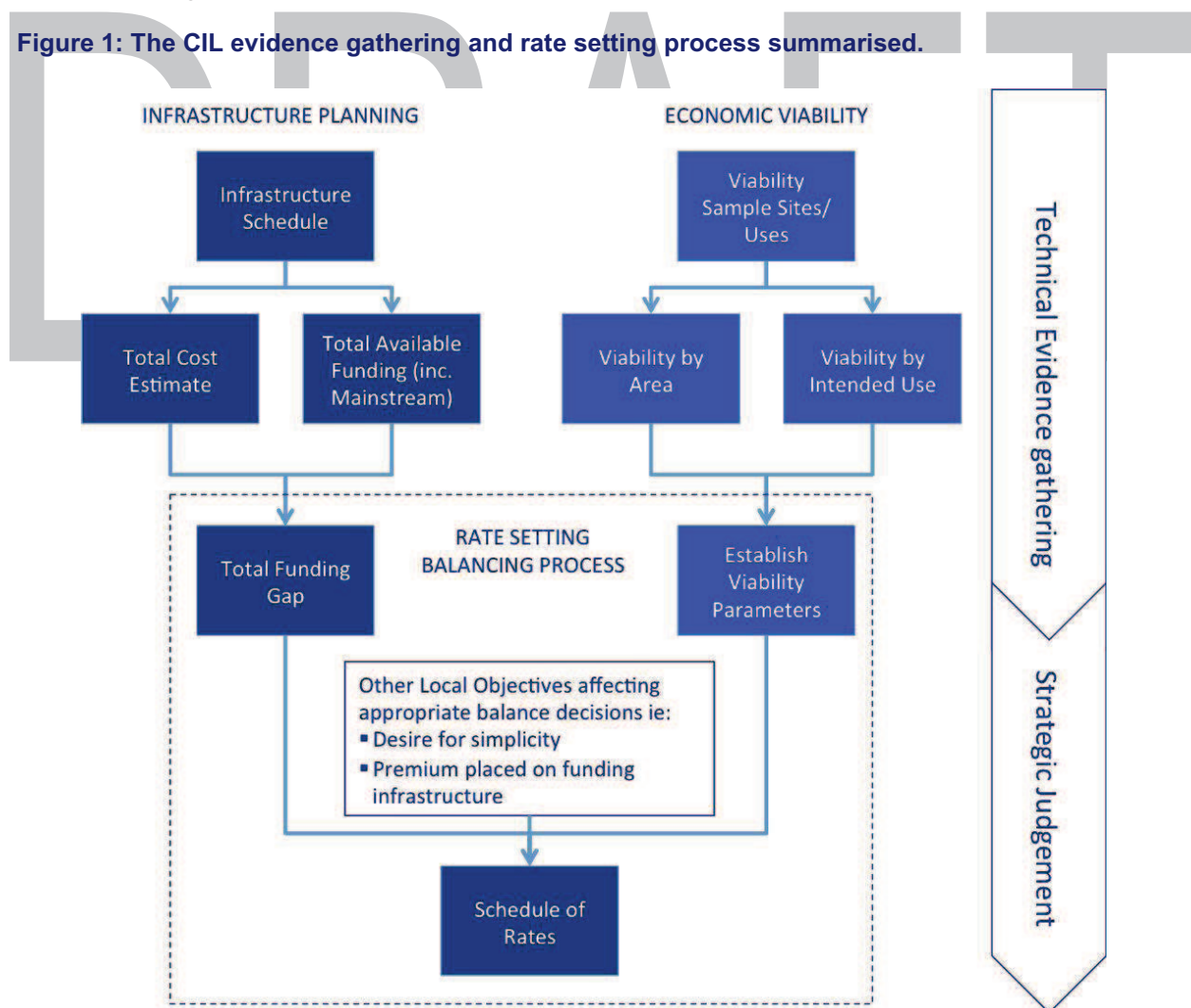
This section explains our approach to demonstrating how the Council's infrastructure evidence base meets CIL Independent Examination standards.

## 1.1 The Regulations

The CIL rate setting process is guided by several different regulations. Following the 2008 Planning Act, CIL came into force with the publication of the Community Infrastructure Levy Regulations 2010. The Community Infrastructure Levy (Amending) Regulations 2011, 2012 and 2013 (draft) further refined the legal framework as did the Localism Act 2011.

As well the Regulations, the Secretary of State's Community Infrastructure Levy Guidance (December 2012) also forms part of the legal framework. The guidance emphasises the importance of striking an appropriate balance when setting rates. The balance needs to specifically weigh up using CIL to fund infrastructure and ensuring that the rates do not threaten delivery of the relevant Plan as a whole. That balance can also take account of other factors as summarised in figure 1 below.

1.1.1 Figure 1: The CIL evidence gathering and rate setting process summarised.



Infrastructure is defined in the Planning Act Item 216 (and refined in the 2010 Regulations) as follows:

- a roads and other transport facilities
- b flood defences
- c schools and other educational facilities
- d medical facilities
- e sporting and recreational facilities
- f open spaces

The majority of the guidance on infrastructure planning evidence base can be found in the CIL Guidance 2012. It requires that each charging authority identifies the total cost of infrastructure informed by a selection of infrastructure projects which are identified as candidates to be funded by the levy.

In practice this means each charging authority needs to consider what infrastructure is needed in its area to support development. This is the same exercise as required to produce an Infrastructure Delivery Plan as evidence for a Core Strategy Development Plan Document or Local Plan. Consequently, there is no need to duplicate this process if an up to date IDP exists. The Charging Authority is also required to assess what other known or expected funding sources are likely to be available to establish whether there is a funding gap. The new CIL Guidance (2012) requires that this evidence is directly related to the Draft Regulation 123 list that the Authority is now required to publish for examination.

In this case the Council's infrastructure evidence base is formed of three progressive layers. Firstly the Infrastructure Delivery Plan (IDP) 2009 adopted as part of the Core Strategy in 2010. Secondly an IDP 2012 (Draft) was tested as part of the Managing Development – Development Plan Document (MD DPD) EiP on September 2012 and found sound. Thirdly the Council has updated, the IDP in 2013 to reflect the latest priorities as catered for within items 16 and 17 of the CIL Guidance published in December 2012, set out below:

*16. If an authority considers that the infrastructure planning underpinning its relevant Plan is weak or does not reflect its latest priorities, it may undertake additional bespoke infrastructure planning to identify its infrastructure funding gap. This work may be limited to those projects requiring funding from the levy, rather than covering all the potential infrastructure projects for the area.*

*17. Where infrastructure planning has been undertaken specifically for CIL and was not tested as part of another examination, the CIL examiner will only need to test that the evidence is **sufficient** in order to confirm the aggregate infrastructure funding gap and total target amount that the authority proposes to raise through CIL.*

The *CIL Projects Schedule*, attached at Appendix A accounts for how the infrastructure evidence has been formed, as listed above.

Our approach to testing sufficiency is set out in **Section 1.3**.

## 1.2 CIL Examinations to Date

To date, there are thirteen published CIL examination reports (Shropshire, Newark and Sherwood, Redbridge, Portsmouth, London Mayor, Huntingdonshire, Croydon, Wandsworth, Wycombe, Poole, East Cambridgeshire, Mid-Devon and Barnet) and infrastructure planning has not featured strongly; generally limited to two to three paragraphs (Poole contains six paragraphs). Each of the Councils had a recently adopted Core Strategy and each of the Councils undertook additional infrastructure planning in support of CIL.



The message from the Examiners appears to be that infrastructure planning should focus on ascertaining the residual funding gap (aggregate gap minus projected CIL income). Where the projected CIL income does not exceed the projected aggregate funding gap the rates are justifiable, subject to tests on the impact of CIL rates on development viability (the matter of viability is the subject of a separate report as previously stated).

### **1.3 Sufficiency of the Infrastructure Evidence**

Our approach to testing the sufficiency of an infrastructure planning evidence base is methodical and robust, and has been used in the PAS Front Runner Programme. It consists of four steps:

- Step 1 – Assessment of the appropriate available evidence
- Step 2 – Data import, cleansing and analysis (into our bespoke infrastructure planning model)
- Step 3 – Targeted interrogation of supporting project information
- Step 4 – Finalising the infrastructure planning evidence base.

An initial assessment using this approach was conducted for the Stage 1 commission. A further assessment was conducted prior to the publication of the Preliminary Draft Charging Schedule (see Infrastructure Planning and Funding Gap report October 2012 that accompanied the PDCS). This updated report contains a further refinement for the purposes of the Draft Charging Schedule and to bring the information up-to-date with the CIL Guidance published in December 2012.

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## 2 Updated CIL Infrastructure Evidence

### 2.1 Background Information

The findings in this section are based upon the following Council background information:

- Core Strategy Adopted Version September 2010
- Infrastructure Delivery Plan 2010 - Core Strategy Evidence Base
- Infrastructure Delivery Plan 2012 (Draft) - tested as part of the Managing Development – Development Plan Document (MD DPD) EiP September 2012
- Infrastructure Delivery Schedule 2013
- Capital Investment Programme 2011-2014
- Tower Hamlets Council's Transport Planning Strategy 2011-2031, August 2011
- Local Implementation Plan 2 – Corridors and Neighbourhoods, May 2011
- Local Investment Plan 2 – Major Schemes 2012
- School Site Allocation Evidence produced for EIP by Tower Hamlets Education Department as approved by Cabinet 5<sup>th</sup> September 2012

### 2.2 Update of CIL Funding Gap

During 2012 the Council updated its Population Growth and Change Model. The new projections have been compared against the projections used at the time of the Core Strategy to determine whether the projects captured within the 2011 Infrastructure Delivery Plan (IDP) update were still relevant. The outcome of that exercise was an updated IDP (Draft) that was tested at EiP on its Managing Development DPD in September 2012 and accompanied the Preliminary Draft Charging Schedule. This report is based upon a schedule of projects that constitutes bespoke infrastructure evidence that has been updated from the tested 2012 version to reflect the latest Council priorities. (A copy of the schedule can be found in [Appendix A](#)).

#### 2.2.1 Total Cost of Infrastructure

We have completed the analysis of the bespoke infrastructure evidence and established:

- There a total of 227 projects from 18 infrastructure categories on the IDP list.
- 203 of the projects are CIL eligible and candidates for CIL funding.
- 114 of the CIL eligible projects are costed.
- The total cost of these 114 costed projects (Total Cost of Infrastructure) is circa **£439m**.
- Over one quarter of the cost (28%, £123m) is attributed to one category – Transport and Connectivity
- The other significant contributors are Education – Primary and Education – Secondary with 21% and 18% respectively.

The 2013 IDP, Summary Tables and CIL projected income estimates are contained in [Appendices A, B and C](#) respectively.

### 2.3 Targeted Interrogation into Projects

We have focused targeted interrogation on the infrastructure categories of transport and education as the most significant contributors, which are supported by detailed project costs and findings.

#### 2.3.1 Transport

The transport projects within the CIL project schedule arise from the following documents:

- Transport Planning Strategy 2011-2031



- Local Implementation Plan 2 – Corridors and Neighbourhoods, Major Schemes
- Bromley-By-Bow Masterplan 2012
- Fish Island AAP 2012
- Millennium Quarter Master plan 2000
- Managing Development – Development Plan Document Post EiP version 2012

These documents are all adopted or in the case of the Transport Planning Strategy based on partnership working with delivery agents Transport for London. We believe an Examiner will be satisfied that this constitutes appropriate available evidence.

### 2.3.2 Education

A report that was approved by Cabinet in September 2012 outlines the projected need for primary school places in the borough and contains projection data provided by the GLA. The indicative costing of these facilities are based on previously completed schemes and advice from the relevant Council departments.

The costs included within the *CIL Projects Schedule* attached at Appendix A are also commensurate with other benchmarks we have observed within London and we believe an Examiner will be satisfied that this constitutes appropriate available evidence.

## 2.4 Funding from Other Sources

In order to establish a funding gap a Charging Authority is required to calculate the funding from other sources. We have extracted information from the Capital Investment Programme (CIP) 2011-2015 and the project specific funding identified within the 2013 IDP. Our findings can be articulated as follows:

- The total available known funding over the period 2012-2026 is **£245.5m**
- The majority of the funding (33%) is associated with specific projects for Building Schools for the Future.
- The remaining contributors to the funding are:
  - DfE – 23%
  - TfL – 6%
  - Supported capital borrowing – 2%
  - Capital receipts – 2%
  - Borrowing – 4%

Figure 3: Summary of funding available from other sources

Funding	Total	% of total
DfE	£57,000,000	23%
TfL	£15,750,000	6%
Supported capital borrowing	£6,000,000	2%
Major repairs allowance	£-	0%
Capital receipts	£4,500,000	2%
Borrowing	£10,000,000	4%
s106	£71,270,000	29%
BSF	£81,000,000	33%

## 2.5 Aggregate Funding Gap

The aggregate funding gap is the Total Cost of Infrastructure (**Section 2.2.1**) minus funding from other sources (**Section 2.4**)

$$£439 - £245.5 = £193.4m$$

Consequently, the aggregate funding gap is £193.4m

## 2.6 Calculating the Projected CIL Income

### 2.6.1 Development Trajectory

We used the development trajectory contain within the Council’s Planning for Population Change and Growth Model, to build a CIL income projection model. The model applies the proposed CIL rates to the development trajectory and other variables set out below.

### 2.6.2 CIL Charging Rates

The following CIL rates have been used in the CIL income projection model.

Development type	Zone 1 Docklands	Zone 2 City Fringe	Zone 3 Rest of Borough
<b>Residential</b>	£200	£65	<b>£35</b>
<b>Office</b>	£100	£215	<b>Nil</b>
<b>Convenience Retail</b>		<b>£195</b>	
<b>Other Retail</b>	£70		<b>Nil</b>
<b>Hotel</b>		<b>£210</b>	
<b>Student Housing</b>		<b>£425</b>	
<b>All other uses</b>		<b>Nil</b>	

### 2.6.3 Model Variables

The table below sets out the assumed variables that have been applied to the development trajectory figures to generate the projected CIL income figures in **Section 2.6.4** below.

Variable	Value
<b>% affordable housing</b>	35%
<b>Net additional floor space</b>	70%
<b>Average unit size</b>	70 sq. m

## 2.6.4 Projected CIL Income

The projected CIL income is as follows:

Period	Total Income	Annual Income
2014/15-2016/17	£14,879,594	£4,959,865
2017/18-2021/22	£57,658,813	£14,862,319
2022/23-2026/27	£45,230,369	£9,046,074
<b>Total</b>	<b>£134,421,556</b>	

An extract from the CIL Income Projection Model can be found in **Appendix C**.

## 2.7 Residual Funding Gap

The residual funding gap is calculated by subtracting the projected CIL income from the aggregate funding gap and is required for a charging authority to be able to charge CIL.

Aggregate funding gap – Project CIL income = Residual funding gap

$$£193.4m - £134.4m = c £59m$$

The residual funding gap is **£59m** and therefore Tower Hamlets are able to charge CIL.

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### 3 Summary of the Sufficiency Assessment

Tower Hamlets are able to demonstrate a significant residual funding gap without including those operations or maintenance costs that would be significant. That gap has been estimated based on appropriate available evidence, which complies with the regulations and the CIL Guidance 2012. This makes for a strong infrastructure planning evidence base in accordance with the CIL Regulations and therefore we would expect the CIL Examiner to find the evidence base sufficient.

The Council is advised to proceed with the publication of its Draft Charging Schedule (DCS), within which it should make clear, the estimated aggregate infrastructure funding gap and how much of that gap it expects to fill with CIL. To ensure transparency of process, the DCS should refer to the evidence-based documents upon which it has relied upon to calculate the gap.

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## Appendix A – Schedule of Infrastructure Projects

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**INFRASTRUCTURE DELIVERY PLAN 2013**

**PROJECTS ELIGIBLE TO RECEIVE CIL FUNDING**

<b>Project Reference</b>	<b>Project Description (Theme)</b>	<b>Source Material - Need</b>	<b>Estimated Total Cost</b>
<b>Education - Primary</b>			
New Primary Schools	Provision of 15 Forms of Entry (FE) by 2021. Includes delivery on 3 <b>Managing Development: Development Plan Document</b> sites	Managing Development: Development Plan Document 2012; LBTH Cabinet report 5 September 2012 – projection data provided by GLA	£90,000,000
<b>Education - Secondary</b>			
Secondary Education Facilities - Borough Wide	Provision of 27 FE required by 2021/2022 by 2021. Includes delivery on 3 <b>Managing Development: Development Plan Document</b> sites	Managing Development: Development Plan Document 2012; LBTH Cabinet report 5 September 2012 – projection data provided by GLA	£81,000,000
<b>Youth Facilities</b>			
Delivery of new and refurbishment of existing youth facilities	Provision of additional 17 facilities	Youth Provision Need Report 2012/13 (working document)	TBC
<b>Community and Faith Facilities</b>			
Delivery of new and refurbishment of community facilities	Provision of new facilities and refurbishment of existing facilities to provide higher quality community buildings	Community Buildings Risk Assessment Condition Survey	TBC
<b>Transport and Connectivity</b>			
Borough wide transport and connectivity works	Works to improve existing and deliver new transport and connections schemes/projects.	Managing Development: Development Plan Document 2012; Millennium Quarter Masterplan 2000; Local Implementation Plan; Asset Management Inventory	£123,228,931

Project Reference	Project Description (Theme)	Source Material - Need	Estimated Total Cost
<b>Leisure and Culture Infrastructure</b>			
Provision of new and refurbishment of existing leisure facilities	Refurbishment and provision of new: Idea Stores; libraries, swimming pools and sports halls	Sporting Places – A Leisure Facilities Strategy for LBTH 2009; Idea Store Strategy 2009	£25,800,000
<b>Energy and Sustainability</b>			
Provision of district heat/energy facilities	District heating/energy facilities to 16 sites throughout the borough, to help meet sustainability objectives	Managing Development: Development Plan Document 2012	TBC
<b>Open Space</b>			
Creation of new and improvements to existing open spaces	Provide new open space and ensure the uplift of existing spaces	Managing Development: Development Plan Document 2012; Green Grid Strategy 2010; Open Space Strategy 2006; Bromley by Bow Masterplan 2009; Bishopsgate Goodsyard Masterplan 2010; Wood Wharf Masterplan 2003	£16,400,000
<b>Health</b>			
Provision of new and improvements to existing facilities	Borough wide work to infrastructure required by health services	Managing Development: Development Plan Document 2012; Health and Wellbeing Strategy 2006 (draft 2012); NHS Programme of Estates Development	£11,200,000
<b>Emergency Services</b>			
Provision of new and refurbishment of existing facilities	Borough wide refurbishment and renewal to emergency services facilities including fire and police facilities.	Identified by emergency services	TBC
<b>Economic Development</b>			
Provision of new and improvements to existing facilities	Provision of employment and outreach sites across the borough and the delivery of a construction training centre	LBTH Employment Strategy 2011	£46,000,000

Project Reference	Project Description (Theme)	Source Material - Need	Estimated Total Cost
<b>Markets</b>			
Markets - Installation of electricity supplies	Electricity supplies to all Council managed markets. Funding can be dedicated to individual markets.	Street Market Strategy 2009	£1,750,000
<b>Air Quality</b>			
Greenhouse gas emissions monitoring stations	Provision of monitoring stations in Mile End and the Isle of Dogs	Air Quality Action Plan 2003	£100,000
<b>Flooding</b>			
Provision of flood mitigation measures	Flood mitigation works and installation of sustainable urban draining systems	Surface Water Management Plan 2011	TBC
<b>Public Safety</b>			
Provision of systems to deliver more CCTV coverage	Installation of cabling to increase CCTV coverage	Draft CCTV Strategy 2006	£1,100,000
<b>Public Realm Works</b>			
Borough-wide public realm works	Improvements to the public realm across the borough	Green Grid Strategy 2011	£2,500,000
<b>Area Based Enhancements</b>			
Improvements and enhancements to areas of specific need	Area based improvements, identified by specific Council documents	Blackwall and Poplar Connections Study 2011, Aldgate Masterplan 2007, Watney Market and Limehouse Renewal Plan Working Document 2013, Managing Development: Development Plan Document 2012	£39,816,565
<b>Total</b>			<b>£438,895,496</b>



## Appendix B – Summary Tables

Infrastructure Category	Total no of projects	% of total	No of eligible projects as a min	No of costed eligible projects	Total Cost of Infrastructure	% of total
Education - Primary	8	3.52	4	4	£90,000,000	20.51
Education - Secondary	10	4.41	3	3	£81,000,000	18.46
Education - Special	1	0.44	0	0	£-	
Youth Facilities	4	1.76	2	0	£-	
Community Facilities and Faith Buildings	8	3.52	6	0	£-	
Transport and Connectivity	16	7.05	11	10	£123,228,931	28.08
Leisure and Culture Infrastructure	6	2.64	4	2	£25,800,000	5.88
Energy and Sustainability	16	7.05	16	0	£-	
Open Space	18	7.93	17	6	£16,400,000	3.74
Health	10	4.41	10	4	£11,200,000	2.55
Emergency Services	1	0.44	1	0	£-	
Economic Development	2	0.88	2	1	£46,000,000	10.48
Markets	1	0.44	1	1	£1,750,000	0.40
Air Quality	1	0.44	1	1	£100,000	0.02
Flooding	2	0.88	2	0	£-	
Public Safety	2	0.88	2	2	£1,100,000	0.25
Other Public Realm	2	0.88	2	2	£2,500,000	0.57
Area Based Enhancements	119	52.42	119	78	£39,816,565	9.07
<b>Totals</b>	<b>227</b>	<b>100.00</b>	<b>203</b>	<b>114</b>	<b>£438,895,496</b>	<b>100.00</b>
<b>Number of categories</b>	<b>18</b>					

Funding	Total	% of total	Comments
DfE	£57,000,000	23%	Taken from DfE Capital Allocations July 2011
TfL	£15,750,000	6%	Taken from LIPpage 2011-2031 page 67
Supported capital borrowing	£6,000,000	2%	Projected figure for the period 2014/2015-2016/2017
Major repairs allowance	£-	0%	
Capital receipts	£4,500,000	2%	Projected figure for the period 2014/2015-2016/2017
Borrowing	£10,000,000	4%	Projected figure for the period 2014/2015-2016/2017
s106	£71,270,000	29%	Calculated from annual average for period 2009/2009-2011/2012
BSF	£81,000,000	33%	Remaining allocation of BSF funding for period of 2013/2014-2016/2017

<b>Total Cost of Infrastructure</b>	<b>£438,895,496</b>	
<b>Total Funding</b>	<b>£245,520,000</b>	
<b>Aggregate Funding Gap</b>	<b>£193,375,496</b>	
<b>Projected CIL Income</b>	<b>£134,421,556</b>	Projected CIL Income for 2013/14 - 2021/22
<b>Residual Funding Gap</b>	<b>£58,953,940</b>	

# Appendix C – Extract of CIL Income Projection Model

## CIL CHARGING SCHEDULE

Docklands	1
City Fringe	2
Rest of Borough	3

<b>Total CIL income (2014-2026)</b>
£134,421,556

Development type	Area			Total (2014-2021)
	1	2	3	
Residential	£200	£65	£35	£75,276,659
Office	£100	£215		£17,459,705
Convenience Retail	£195	£195	£195	£38,885,768
Other Retail	£70	£70		£15,400
Hotel	£210	£210	£210	£2,784,023
Student Housing	£425	£425	£425	£-
All other uses	Nil			£-

PROJECTED CIL INCOME	2014-2016				
	Area			Totals	Annual Income
Development type	1	2	3		
Residential	£8,400,000	£494,325	£1,164,799	£10,059,124	£3,353,041
Office	£1,126,700	£2,105,710	£-	£3,232,410	£1,077,470
Convenience Retail	£1,081,665	£171,405	£334,990	£1,588,060	£529,353
Other Retail	£-	£-	£-	£-	£-
Hotel	£-	£-	£-	£-	£-
All other uses	£-	£-	£-	£-	£-
<b>Totals</b>	<b>£10,608,365</b>	<b>£2,771,440</b>	<b>£1,499,789</b>	<b>£14,879,594</b>	<b>£4,959,865</b>

PROJECTED CIL INCOME	2017-2021				
	Area			Totals	Annual Income
Development type	1	2	3		
Residential	£27,031,714	£4,281,364	£9,548,050	£40,861,129	£8,172,226
Office	£5,145,800	£8,653,895	£-	£13,799,695	£2,759,939
Convenience Retail	£4,107,602	£3,420,623	£9,572,351	£17,100,576	£3,420,115
Other Retail	£15,400	£-	£-	£15,400	£3,080
Hotel	£1,909,530	£418,530	£206,734	£2,534,794	£506,959
All other uses	£-	£-	£-	£-	£-
<b>Totals</b>	<b>£38,210,046</b>	<b>£16,774,412</b>		<b>£57,658,813</b>	<b>£14,862,319</b>

PROJECTED CIL INCOME	2022-2026				
	Area			Totals	Annual Income
Development type	1	2	3		
Residential	£11,629,143	£157,114	£12,570,150	£24,356,407	£4,871,281
Office	£427,600	£-	£-	£427,600	£85,520
Convenience Retail	£1,029,313	£-	£19,167,819	£20,197,133	£4,039,427
Other Retail	£-	£-	£-	£-	£-
Hotel	£249,229	£-	£-	£249,229	£49,846
All other uses	£-	£-	£-	£-	£-
<b>Totals</b>	<b>£13,335,285</b>	<b>£157,114</b>	<b>£31,737,969</b>	<b>£45,230,369</b>	<b>£9,046,074</b>



Community Infrastructure Levy:  
Preliminary Draft Charging Schedule  
Summary of Consultation Responses

London Borough of Tower Hamlets

April 2013

## **1. INTRODUCTION**

- 1.1 On 16<sup>th</sup> November 2012 Tower Hamlets Council published its Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (PDCS) and supporting evidence base. It invited responses from the public including local landowners and developers, as well as other public authorities. The purpose of the consultation was to invite comments and additional evidence that will help the Council strike an appropriate balance when setting CIL rates.
- 1.2 In accordance with Regulation 15 (7) of the Community Infrastructure Levy Regulations 2010 (as amended) the Council has taken into account these representations before it publishes its Draft Charging Schedule (DCS). This document summarises how the Council has taken the representations into account alongside other appropriate available evidence.
- 1.3 The Council received 30 representations in total. During the consultation period for the PDCS, the Secretary of State issued new national CIL Guidance (December 2012). That guidance reinforced much of the practice used by Charging Authorities to strike an appropriate balance when setting their CIL rates. This 2012 guidance has also imposed additional requirements on Charging Authorities, which the Council has now incorporated into its evidence base and rate setting process.
- 1.4 Please see Appendix 1 for a document which includes the full Representations received and provides the Council's response in relation to each Representation.

## **2. THE MAIN ISSUES**

### ***Nature of Representation(s): Requests for Relief***

- 2.1 Several respondents requested relief for CIL for specific uses, for example Theatres and Police facilities. Several more requested that the Council consider claims for relief under Exceptional Circumstances. Poplar HARCA requested a change in the national guidance used to calculate the Affordable Housing relief. English Heritage has requested discretionary relief for Heritage Buildings.

### ***How Representation(s) has been Accounted for: Requests for Relief***

- 2.2 The Council is limited in what reliefs it can provide and it is unable to change Regulations or national guidance. It can set rates at £0 per square metre where that is supported by viability evidence. This would be the case for items such as Police facilities, which are defined as infrastructure in the Infrastructure Delivery Plan (IDP) requiring public subsidy, and are therefore by definition not able to support a CIL charge. The table in the PDCS that indicated the proposed rates clearly stated that unless a specific levy is proposed for a use all other uses throughout the borough will be charged at £0 per square metre. The Draft Charging Schedule sets out the Council's policy in relation to requests for relief.

### ***Nature of Representation(s): The Viability Assessment***

- 2.3 Several representations suggest that the Council's viability evidence is insufficient in its scope and depth. Several referenced specific sites that will be

unduly affected by the imposition of CIL. The Greater London Authority (GLA) is seeking to ensure that the Council has adequately accounted for all Crossrail related levies that affect the borough. In particular representations queried the location of the residential CIL zones' boundaries in relation to sales values of existing residential developments and the viability and CIL charge applied to hotel uses. An issue was also raised in relation to the approach to the benchmark land value and reference is made to the RICS guidance note on Viability in Planning.

***How Representation(s) has been Accounted for: The Viability Assessment***

- 2.4 The Council had invited discussions from the development industry and statutory bodies during very early evidence gather stages. Whilst nothing was forthcoming during early consultation, the Council has welcomed further feedback on the PDCS from the development industry and updated the viability evidence to take account of the new guidance. This includes reviewing a number of strategic sites and assumptions regarding Crossrail related levies. Several of the proposed CIL rates have been adjusted for non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough.
- 2.5 Hotel use appraisals and evidence have been reviewed and as a result the maximum CIL rate has been reduced.
- 2.6 With regard to Representations concerning the benchmark land value (and reference to the RICS approach to benchmark land values), it is noted that the Representations fail to refer to the Local Housing Delivery Group guidance which endorses the approach we have taken. The RICS approach has been considered at the Mayoral CIL examination and found to be an unsound basis for testing the viability of CIL.

***Nature of Representation(s): Differentiating Rates by Area***

- 2.7 Several Representations were received regarding the placement of the charging zones. The London Legacy Development Corporation (LLDC) wrote confirming the boundary of their area for which they are the Planning Authority and requested CIL rates are removed for their area.

***How Representation(s) has been Accounted for: Differentiating rates by area***

- 2.8 Now the LLDC is formally in place the Council has shown the boundary in its CIL zoning map. The LLDC area has been indicated, within the Draft Charging Schedule, as excluded from Tower Hamlets' Charging Authority.
- 2.9 The Council has also reviewed the evidence used and gathered additional viability evidence to inform the zoning process. This has resulted in minor adjustments to the zone boundaries.

***Nature of Representation(s): Differential Rates by Land Use***

- 2.10 Several representations questioned the differential rates for specific land uses, namely retail. Supermarket representatives have queried the proposal for

differential retail rates on the basis of unit size.

***How Representation(s) has been Accounted for: Differential Rates by Land Use***

- 2.11 The Council has reviewed all appropriate available viability evidence including in recent CIL Examination decisions. The Wycombe District CIL Examination report explicitly noted that “there is nothing in the CIL regulations to prevent differential rates for retail developments of different sizes, provided they are justified by the viability evidence and differing retail characteristics or zones”.
- 2.12 For retail land uses, the Council continues to propose two rates: -
1. Convenience-based supermarkets and superstores and retail warehousing over 280 square metres; and
  2. All other retail.
- 2.13 Superstores/supermarkets are defined as shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.
- 2.14 Retail warehouses are defined as large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering for a significant proportion of car-borne customers.

***Nature of Representation(s): Infrastructure Evidence***

- 2.15 Several representations indicated that the Council’s CIL spending priorities were not clear and not compliant with the updated CIL Guidance published during the consultation period. Specifically they state that the information on the charging authority area’s infrastructure needs should be “directly related to the infrastructure assessment that underpins their relevant Plan”, as that planning identifies the quantum and type of infrastructure required to realise their local development and growth needs.
- 2.16 The new CIL Guidance (December 2012) also states that “the charging authority should set out at examination a draft list of the projects or types of infrastructure that are to be funded in whole or in part by the levy” and that the charging authorities should also set out those known site-specific matters where S106 contributions may continue to be sought”.

***How Representation(s) has been Accounted for: Infrastructure Evidence***

- 2.17 The Council’s bespoke infrastructure evidence for CIL is consistent with its IDP that underpins the Core Strategy. An additional requirement imposed by the CIL Guidance published in December 2012 is for the Council to publish a draft list of projects that it intends to fund in part or whole by CIL and to specify the site-specific infrastructure that is intended to be funded by S106.
- 2.18 The Council has reviewed the potential S106 requirements and finds it likely that future s106 requirements will be significantly reduced. All large infrastructure projects and programmes such as those identified in the IDP are likely to be funded through CIL and other sources of funding excluding S106.

2.19 The Council will use S106 for affordable housing and site-specific mitigation measures in accordance with the three legal tests. This will be set out in a revised draft Planning Obligations Supplementary Planning Document which is to be the subject of public consultation at the same time as the DCS.

### **3. CONCLUSIONS**

3.1 Further to this round of public consultation, Tower Hamlets' CIL Charging Schedule has been amended to take account of appropriate available evidence and the recent CIL Guidance (December 2012).

3.2 The Council is introducing CIL with the aim of seeking to deliver the local Core Strategy objectives. The Council has sought to strike an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development when taken as a whole across the borough. On that basis it is publishing a Draft Charging Schedule in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) and Part 11 of the Planning Act 2008.

**Appendix 1: Detailed Schedule of Representations and the Council's Responses**



Comment ID	Organisation	Commented Section	Recommendations by Representations	Summary of Representation	Council's Response
Cil_PDCS 1	East Thames Group	3. Proposed CIL Rates & Charging Area	We recommended the Council to consider the following: 1. Estate regeneration projects to be exempt from CIL or to have a lower rate applied 2. Registered housing providers and charities to receive a discounts on standard CIL rates where it can be demonstrated that they are building private housing for wider social benefit or to cross fund additional social housing provision	Concern that applying a uniform CIL rate to might make some of the schemes unviable to develop in future.	The Council has updated its viability evidence to ensure that the level of CIL applied to residential uses in different areas of the borough is viable. In addition, it is also noted that affordable dwellings are not subject to the CIL charge. Registered Providers delivering affordable housing can obtain this discount by applying for social housing relief.  It is reasonable for private residential units to pay CIL to ensure infrastructure can be provided to support increased demand arising from the development.
Cil_PDCS 2	London Legacy Development Corporation	1. Introduction; Appendix 1 & 2	Part of the Borough of Tower Hamlets lies within the LLDC area, and for the document to include the plan at Appendix 1 of the document in this regard, reference to collection of LBTH CIL should be removed. The LLDC area should be omitted from CIL Charging Zone 3 in the plan at Appendix 2, and reference to the areas within the LLDC area should be removed from the CIL viability assessment.	Paragraph 1.4 of the Preliminary Draft Charging Schedule is factually incorrect and rectification is required. The LLDC Planning Functions Order 2012 makes the Legacy Corporation a planning authority for all purposes of Part 2 of the Planning and Compulsory purchase Act 2004 and by effect of this it is the CIL charging authority for its area. For the time being LBTH continues to be the collecting authority for the London Mayoral CIL within LLDC's area.	The Council has amended the map at Appendix 1 to show the London Legacy Development Corporation area which lies within London Borough of Tower Hamlets.
Cil_PDCS 3	The Theatres Trust	Leisure & Community Use	Include theatre as "sui generis" use in the charging table and applies to nil rate.	This proposed Charging Schedule should also include sui generis theatres. Theatre uses are generally unable to bear the cost of CIL for viability reasons and we recommend including theatres in the setting of a Nil rate.	Theatres in sui generis are subject to nil CIL charge (£0 per metre) in line with the representation. The Council does not have powers to control the application of the Mayor of London's charge and its application.
Cil_PDCS 4	Canal & River Trust (London)	Infrastructure Delivery Plan	Request further discussion on provision of open space for waterways through CIL income in the future.	No specific comments to the Preliminary Draft Charging Schedule. In relation to the IDP, we consider ourselves an important infrastructure provider, with regard to the benefits our waterways offer communities and can address the aims of the Core Strategy. We would therefore welcome further discussion with the Council regarding how we can work together to address CIL contribution to the open space of these waterways.	The Council has prepared an infrastructure delivery plan highlighting infrastructure funding priorities. Further meetings and discussions will with infrastructure providers are anticipated as part of the Council's on going infrastructure planning processes.

Comment ID	Organisation	Commented Section	Recommendations by Representations	Summary of Representation	Council's Response
Cil_PDCS 5	Peacock & Smith on behalf of WM Morrison Supermarkets plc	3. Proposed CIL Rates & Charging Area	OBJECT - no recommendations.	Objection to the proposed CIL rates for retail development in the Borough. We are gravely concerned that the suggested charge will have a significant adverse impact on the overall viability of future retail development in the borough. A balance has not been found between infrastructure funding requirements and viability. New large-scale retail development, such as supermarkets, is being used as a 'scapegoat'. The draft charge will put undue additional risk on the delivery of any such proposals and will be an 'unrealistic' financial burden. This, in turn, poses a significant threat to potential new investment and job creation in the local area at a time of economic recession and low levels of development activity.	<p>The Council's viability evidence has analysed the impact of CIL on retail development throughout the borough. This analysis has informed the dual retail rate proposed.</p> <p>The Council's viability research has analysed the impact of CIL on retail development throughout the borough. The regulations allow for different charges to be established for different scales of use; it should be noted that differential rates for stores over 280sqm have been justified other CIL examinations (for example, Wycombe).</p>
Cil_PDCS 6	Planning Perspectives On behalf of National Grid Property Holdings	Discretionary Relief	In order to ensure that these sites are not over burdened by additional upfront costs we would request that the Council considers including within the charging schedule, discretionary relief for each of the sites given the exceptional circumstances detailed above. Discretionary relief for exceptional circumstances can be considered by the Council in accordance with Regulation 55 of the CIL Regulations 2010 (as amended).	We are making site-specific comments in relation to the land owned by the NGP and they are: Marian Place Gas Works, Bethnal Green; Bow Common Gas Works, Bow Common; and Leven Road Gas Works, Poplar. The sites are former gasworks which, prior to redevelopment commencing will need to be decommissioned, remediated and any remaining operational equipment relocated. There are potentially significant upfront costs associated with these works which threaten to undermine future viability and reduce the likelihood of each of these sites being brought forward for redevelopment. The Tower Hamlets CIL, in addition to the Mayoral CIL, will inevitably add to this cost burden by placing an unavoidable further cost on each of the sites upon commencement of development.	The Council is proposing to allow discretionary exceptional circumstances relief as set out in the Draft Charging Schedule. It should be noted that the circumstances in which exceptional circumstances relief can be applied are very narrow and are limited by state aid issues.
Cil_PDCS 7	City of London	N/A	No recommendations	The City Corporation has no objections to this document or any specific comments.	NOTED

Comment ID	Organisation	Commented Section	Recommendations by Representations	Summary of Representation	Council's Response
Cil_PDCS 8	GVA Grimley on behalf of Commercial Estates Group(London)	3. Proposed CIL Rates & Charging Area	No recommendations	We note that the Preliminary Draft Charging Schedule states that the Borough has attempted to set a buffer , so that the proposed rates are not at margins of viability . However, the majority of developments within the Borough are already at the 'margins of viability', with the level of S106 contributions and other obligations, such as affordable housing, secured. At a time when the Borough is under pressure to deliver its target growth levels, including increased housing supply, it is unreasonable to add an additional financial burden of these levels to developments that are already at their limits. Where a development is subject to a full CIL payment, the other charges applied (S106 and affordable housing requirements) would need to be reduced to ensure viability of and deliverability of development. We support the intention of CIL, however, CIL rates sought for residential in Zone 1 (city fringe and north docklands) and the student housing and hotel development appear high. For example, a number of residential developments across the Isle of Dogs and surrounding areas would pay CIL twice as much as the levels of S106 contributions that are currently being negotiated (excludes affordable housing). This will threaten schemes that contribute towards the overall objective of sustainable development and growth.	The Council has updated its viability evidence and several of the proposed CIL rates have been adjusted for non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough. This updated evidence did not suggest a need to amend the residential rate. It is also noted the representation does not provide any evidence to demonstrate that the level of charge for residential uses (or indeed other uses) is unsustainable.
Cil_PDCS 9	CgMs Consulting on behalf of Metropolitan Police Services	3. Proposed CIL Rates & Charging Area	Exempt policing facilities that fall within the office use within the City Fringe and North Docklands area from CIL payment. Include policing facilities in the Regulation 123 List. Update the policing section in the current Infrastructure Delivery Plan (adopted in 2009)	Policing facilities fall within "All Other Uses" in the Figures 4 of the Preliminary Draft Charging Schedule, which attracts Nil rate. Policies facilities fall within the office use within the City Fringe and North Docklands area would attract £125 per sq.m. This would impact on future operational office space used for policing, which is contrary to the aims of the NPPF, London plan and Core Strategy. It is therefore essential that CIL is not payable for new policing floorspace in the Borough, which would take funding away from frontline policing. In addition, CIL should include the wording "Development by police for operation	Police stations and operational floor space are within sui generis uses and will be subject to nil CIL charge (£0 per metre) in line with the comments. The Council does not have powers to control the application of the Mayor of London's charge and its application.  Excluding office space based on the likely or possible intended occupier would be difficult to implement in the current regulatory framework  The Council has contacted the Metropolitan Police's agent with a view to bring the evidence up to date. Further meetings and discussions will with

Comment ID	Organisation	Commented Section	Recommendations by Representations	Summary of Representation	Council's Response
				purposes" as attracting a nil rate. Such an approach has been adopted elsewhere, It is recommend that the Regulation 123 list includes policing facilities, includes where development would have a material impact upon policing provision in the Borough. This is to be consistent with the Government Guidance. The policing section in the current IDP is a little out of date. The Service Asset Management Plan (2007) has been replaced by the Estate Strategy 2010-2014, nor does it provide detail on specific requirements and indicative costs. The MOPAC/MPS request to be informed of when the Council are preparing an update.	infrastructure providers are anticipated as part of the Council's on going infrastructure planning processes.
Cil_PDCS 10	DP9 on behalf of Express Newspapers	2. Evidence	Revisit the viability evidence and republish the Preliminary Draft Charging Schedule for a further round of public consultation to meet the requirements of the new statutory CIL guidance and NPPF; Provide more detailed assessment is required of price variation in the Borough with the identification of more charging zones and a more diverse charging rate, based upon postcodes to include Zone 3 (E14, 8); Review the S106 costs sufficiently to be certain that the S106 levels would not exceed the £1,220 per unit identified; and explain how the assumption of s106 contributions has been calculated or what infrastructure it could cover Publish the Regulation 123 List at this stage, given its importance to understanding the likely level of S106 contributions which would be applied to an application. Outline in more detail that the status of its SPD on planning obligations will be once CIL is in place, and whether the SPD will apply at all to future applications once the CIL comes into force.	This is a site-specific representation regarding the strategic site at, Westferry Printworks, Isle of Dogs. The site is identified for strategic redevelopment for a residential-led mixed use development under the Submission version of the Managing Development DPD. CIL is one of the main financial obligations which could impact on viability, affecting the ability of development to come forward and ultimately the delivery of the Development Plan objectives. Our main concern is that your viability evidence does not meet the requirements of the Statutory Guidance (December 2012) and fails to provide sufficient justification for the Charging Rates set in the consultation document. The comments on the key areas of conflict with the Statutory Guidance are summarised below: Lack of analysis of strategic sites as required by the Statutory Guidance - No reference made within the viability study to the emerging MD DPD, which is surprisingly given that this document has reached	The Council has updated its viability evidence. This included reviewing a number of strategic sites. This assessment has determined that the level of CIL charge can be supported. Several of the proposed CIL rates have been adjusted for non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough. The level of Section 106 contribution will reduce with the implementation of CIL. The Council is reviewing its SPD and preparing a draft Regulation 123 list ahead of the Examination in Public to provide greater certainty for developers.

Comment ID	Organisation	Commented Section	Recommendations by Representations	Summary of Representation	Council's Response
Cil_PDCS 11	Bell Cornwell LLP on behalf of TRAD Properties LLP	3. Proposed CIL Rates & Charging Area	OBJECT - to the proposed levy of £425 per square metre for hotel use.	<p>Proposed charge for residential uses - Support the proposed rate for residential in charging zone 3, which is £35 per sq.m. However, we would emphasise the need for the proposed approach to retain sufficient flexibility to allow some negotiation on the levy where reasonable site specific circumstances dictate the need for this. Proposed charge for hotel uses - Objects to the proposed rate for hotel use. The proposed rate for hotel use is not differentiating between different parts of the Borough. A blanket district-wide approach of this kind could be counter-productive to the attainment of wider regeneration objectives. New hotel development in relatively low value areas in the Borough will be deterred, which will have the effect of undermining the regeneration of those areas where new hotels might be able to form an important part of future development. For example, the proposed charge would render a new hotel development in Bromley-by-Bow unviable and thus undermine the ability to attain comprehensive development of that area.</p>	<p>The Council has updated its viability evidence several of the proposed CIL rates have been adjusted for hotels and other non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough.</p>



Comment ID	Organisation	Commented Section	Recommendations by Representations	Summary of Representation	Council's Response
Cil_PDCS 12	London Borough of Tower Hamlets	3. Proposed CIL Rates & Charging Area	Zone 1 - should (also) include following the A13 at the Aldgate triangle, incorporating the whole of the Docklands and riverside within the boundary of the zone.	Representing as Cllr for the Blackwall and Cubitt Town ward and a resident of the Isle of Dogs. Canary Wharf and the Isle of Dogs have been the largest area of redevelopment on London over the past two decades. This has included both residential and commercial development. Currently some 93,000 people work on the Canary Wharf complex and this will rise to 120,000 by the end of this decade. Identified residential development sites indicate a potential residential population rising to 71,000. At the presentation to councillors I was surprised at the proposed charging Zone boundaries, in particular with the south and east of the Isle of Dogs, along with Leamouth being placed in CIL Zone 3. This area is that which is amongst the prime area for development because of its proximity to Canary Wharf. There is regular DLR and bus links to Canary Wharf and even a leisurely walker can reach Canary Wharf from Island Gardens in less than twenty minutes, as I do regularly. Logically Zone 1 should include (as it does) the City Fringe and at the Aldgate triangle follow the A13, with all of Docklands and the riverside included within the boundary of the Zone.	The Council has amended the boundaries affecting the Isle of Dogs based on a review of the residential values (see Appendix 1 of Draft Charging Schedule).
Cil_PDCS 13	DP9 on behalf of Bishopsgate Goods Yard Regeneration Limited	2. Evidence	Refer to the recommendations made in the separate representations of Hammerson Plc. and Ballymore. Proposing that LBTH withdraw the current Preliminary Draft Charging Schedule and re-run public consultation once the necessary additional evidence has been prepared. This is important since there is limited flexibility in revising a Draft Charging Schedule after it has been published, and changes are discouraged prior to examinations, therefore moving directly to this stage will not have allowed a proper process of consultation.	We concerned that the rates currently proposed in the Preliminary Draft Charging Schedule pose a serious risk to the viability and deliverability of Bishopsgate Goods Yard (BGY). Most importantly, we consider that LBTH does not yet have sufficient appropriate evidence to establish whether proposed Preliminary Draft Charging Schedule CIL rates pose a serious threat to the development, as allocated, of BGY. Because the Council has not undertaken evidence consistent with the requirements set out in CLG's Statutory Guidance (December 2012) with assessing "an appropriate range of types of sites across its area in order to supplement existing data... (Paragraph 27). The typologies tested within the Viability Study bear no resemblance to the strategic sites, such as BGY, which is allocated	The Council has updated the viability evidence. This included reviewing a number of strategic sites. This assessment has determined that the level of CIL charge can be supported. Several of the proposed CIL rates have been adjusted for non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough.

Comment ID	Organisation	Commented Section	Recommendations by Representations	Summary of Representation	Council's Response
				within the up-to-date Development Plan. We consider that the Development Plan site allocations need to be assessed in order to fill a significant gap in the current evidence base. This needs to be looked at in line with the Paragraph 25 of the new Statutory Guidance.	
Cil_PDCS 14	DP9 on behalf of Hammerson Plc	2. Evidence; Proposed CIL Rates & Charging Area	To prepare substantial additional evidence to demonstrate whether proposed Preliminary Draft Charging Schedule CIL rates pose a serious threat to the development, as allocated and tested alongside the government guidance and the most up-to-date local Development Plan Documents (DPD). This should be undertaken in close collaboration with the development industry to ensure inputs/assumptions are the most appropriate and best available; To refine its infrastructure planning evidence, including the infrastructure items set out for the site allocations in the Managing Development DPD and identify the anticipated delivery mechanism (CIL vs. s106). Proposing that the Council withdraw the current Preliminary Draft Charging Schedule and re-run public consultation once the necessary additional evidence has been prepared (effectively repeat the preliminary stage).	The consultation document and its supporting documents are not in compliance with the NPPF, CIL Statutory Guidance (December 2012) and planning policy and objectives for LBTH Not based on evidence that has defined or considered the allocated sites underpinning the relevant up-to-date Development plan Not been tested alongside the Development Plan (specifically the LBTH Managing Development DPD); and runs the risk of actively discouraging development (See DS2's comprehensive review of the Viability Study) Unclear about how the actual proposed rates and associated geographical charging zones have been derived Lack of evidence of any proper analysis or consideration of residual S106 costs, particularly section 2.1 of the Preliminary Draft Charging Schedule falls short of assessing residual s106 requirements	The Council has updated the viability evidence to take account of the new guidance. This included reviewing a number of strategic sites and assumptions regarding Crossrail related levies. Several of the proposed CIL rates have been adjusted for non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough.

Comment ID	Organisation	Commented Section	Recommendations by Representations	Summary of Representation	Council's Response
Cil_PDCS 15	DP9 on behalf of Ballymore Group	2. Evidence; 3. Proposed CIL Rates & Charging Area	To prepare substantial additional evidence to demonstrate whether proposed PDCS CIL rates pose a serious threat to the development, as allocated and tested alongside the government guidance and the most up-to-date local Development Plan Documents (DPD). This should be undertaken in close collaboration with the development industry to ensure inputs/assumptions are the most appropriate and best available. To refine its infrastructure planning evidence, including the infrastructure items set out for the site allocations in the Managing Development DPD and identify the anticipated delivery mechanism (CIL vs. s106). Consider the PDCS is unsound and is of the strong opinion that the Charging Authority must withdraw the current PDCS and re-run public consultation once the necessary additional evidence has been prepared (effectively repeat the preliminary stage).	Main comments are summarised below: Not in compliance with the NPPF, CIL Statutory Guidance (December 2012) and planning policy and objectives for LBTH. Not based on evidence that has defined or considered the allocated sites underpinning the relevant up-to-date Development Plan. Not been tested alongside the Development Plan (specifically the LBTH Managing Development DPD); and runs the risk of actively discouraging development (See DS2's comprehensive review of the Viability Study) Unclear about how the actual proposed rates and associated geographical charging zones have been derived Lack of evidence of any proper analysis or consideration of residual S106 costs, particularly section 2.1 of the PDCS falls short of assessing residual s106 requirements	<p>The Council has updated the viability evidence to take account of the new guidance. This included reviewing a number of strategic sites and assumptions regarding Crossrail related levies. Several of the proposed CIL rates have been adjusted for non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough.</p> <p>The level of Section 106 contribution will reduce with the implementation of CIL. The Council is reviewing its SPD and preparing a draft Regulation 123 list ahead of the Examination in Public to provide greater certainty for developers.</p>
Cil_PDCS 16	DP9 on behalf of Canary Wharf Group	2. Evidence; 3. Proposed CIL Rates & Charging Area	Same as representations Cil_PDCS 15.	Same as representations Cil_PDCS15.	<p>The Council has updated the viability evidence to take account of the new guidance. This included reviewing a number of strategic sites and assumptions regarding Crossrail related levies. Several of the proposed CIL rates have been adjusted for non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough.</p> <p>The level of Section 106 contribution will reduce with the implementation of CIL. The Council is reviewing its SPD and preparing a draft Regulation 123 list ahead of the Examination in Public to provide greater certainty for developers.</p>



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Cil_PDCS 17	Signet Planning Ltd on behalf of Galliard Homes	2.Evidence;3 .Proposed CIL Rates & Charging Area	Points to consider: Maintain an updated Infrastructure Delivery Plan and Infrastructure Delivery Schedule Draft the Regulation 123 list, which will identify those items of infrastructure to be paid for through CIL For outstanding items the authority will identify which items are anticipated to be covered by s106 requirements or delivered within schemes - the approach to the delivery of these obligations will include an assessment of the combined impacts of these with CIL on development viability Enter into delivery agreements with developers in cases where the Borough may need to pay back CIL to developers to meet a proportion of the costs, for example, where provision is required within a wider mixed use development In appropriate circumstances, and in line with the regulations, the Borough may accept land as an open " in-kind" contribution towards CIL payment, subject to independent valuation of land Where infrastructure is required through CIL which would be necessary to make development acceptable in planning terms, the Borough will ensure that the use of any planning conditions (Grampian conditions) meets the test of Circular 11/95 and that developers will not be unreasonably reliant on the actions of third parties to deliver items of infrastructure that they have paid for through CIL contributions	Main comments are summarised below: All appropriate available evidence Having regarded the CIL Guidance (2010), it is incumbent on LB Tower Hamlets to consider this information, which comprises appropriate available evidence. E.g. Use the Information and data from the Wapping viability appraisal and viability assessments from other planning schemes. Exemption and relief The CIL regulations allow discretionary relief; however, the consultation document does not advise that the Council has any current plans to adopt any other relief schemes. Clarification on this point is required to re-assure developers that may be required to make substantial in-kind or additional contributions through section 106. Delivery of infrastructure projects The Council should be clear about which elements of infrastructure are intended to be funded from CIL and which from site specific s106 obligations. It should also provide evidence that viability will properly consider the Council's strategic policy objectives and the Mayoral CIL on top of the Borough's CIL with only residual surplus available for the delivery of affordable housing. Charging rates for retail uses Applying differentiate rates to different forms of retail such as convenience and comparison shopping, and/or distinction by size of unit/floorspace, could only be justified by rigorously tested evidence related entirely to viability, it is unclear that any local such evidence exists to justify the position in Tower Hamlets.	<p>The Council has updated the viability evidence to take account of the new guidance. This included reviewing a number of strategic sites and assumptions regarding Crossrail related levies. Several of the proposed CIL rates have been adjusted for non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough.</p> <p>The Council is proposing to allow discretionary exceptional circumstances relief as set out in the Draft Charging Schedule. It should be noted that the circumstances in which exceptional circumstances relief can be applied are very narrow and are limited by state aid issues.</p> <p>The level of Section 106 contributions will reduce with the implementation of CIL. The Council is reviewing its SPD and preparing a draft Regulation 123 list ahead of the Examination in Public to provide greater certainty for developers.</p> <p>The Council's viability research has analysed the impact of CIL on retail development throughout the borough. The regulations allow for different charges to be established for different scales of use; it should be noted that differential rates for stores over 280sqm have been justified other CIL examinations (for example, Wycombe).</p>

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Cil_PDCS 18	Leaside Planning Limited on behalf of Poplar Harca	Appendix 2 - Draft Charging Zone Maps	Develop the Regulation 123 List and project selection procedure.	<p>Main comments are summarised below: CIL payments regarding affordable housing provision I do not believe that CIL payable on 100% affordable homes is the intention of the CIL regulations. I would be grateful if the Council would pursue this anomaly with the backing of this consultation to have affordable housing completely exempt by including its ancillary floorspace. Off-set CIL payments I would urge the Council to adopt a principle of working with applicants of development projects to identify if their scheme is in a position to deliver identified CIL projects and to off-set these against CIL payments if the developer is in a position to deliver them on or off-site. List of CIL projects We welcome the opportunity to remain involved in contributing to the Regulation 123 List. CIL project selection procedure I have not been able to find out how the Council's process for selecting and prioritising CIL projects will operate. Perhaps this is something that can be highlighted in the further round of consultation later this year. Spread of charging rates I agree and support the Council's approach to setting different rates by areas. However, I don't understand, or agree with how the boundaries have been drawn in some cases, in particular the 'notch' into Thomas road as CIL Zone 2 as opposed to a CIL Zone 3. I don't believe that this area will generate greater values and would seek that it is reassessed as lying in Zone 3.</p>	<p>The formula for social housing relief provided in the CIL regulations – as currently drafted - only exempt affordable dwellings. The Council cannot change this through its draft Charging Schedule but its officers have raised the issue with CLG.</p> <p>The Council prepared an infrastructure delivery plan highlighting infrastructure funding priorities. Further meetings and discussions will take place with infrastructure providers and part of the Council's on-going infrastructure planning processes.</p>
Cil_PDCS 19	Greater London Authority	3. Proposed CIL Rates & Charging Area	The Council should consider: 1) Extent to which Crossrail SPG has been taken into account. 2) The adequacy of the evidence, particularly regarding hotel uses. 3) The extent to which the viability work on the PDCS complies with the new Statutory Guidance.	<p>A number of points raised by the Borough's proposals which we would find it helpful to discuss with you before expressing a view on compliance with regulation 14 (3), in particular:</p> <p>1) The extent to which the mayor's Crossrail planning obligations policy has been taken into account in your proposals 2) The adequacy of parts of the evidence base, particularly as regards hotels (a use which is covered by the mayor's planning obligations policy, of course) 3) The extent to which you consider the viability study published with your preliminary draft schedule meets the requirements of the</p>	<p>The Council has updated the viability evidence to take account of the new guidance. This included reviewing a number of strategic sites and assumptions regarding Crossrail related levies. Several of the proposed CIL rates have been adjusted for hotels and other non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough.</p>

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				new Statutory Guidance published by the Department of Communities and Local Government in December 2012, particularly as regards strategic sites. GLA and TfL would welcome the opportunity to meet with you before you proceed to the draft charging schedule stage.	
Cil_PDCCS 20	Solicitor Thomas Eggar LLP on behalf of ASDA Stores	2. Evidence; 3. Proposed CIL Rates & Charging Area	The Council should Consider:1) Exceptional circumstances relief' 2) Instalment policy' 3) A flat rate levy; and 4) Reduction of CIL charge for large retail development	We wish fundamentally to object to the approach, and to the disproportionate loading of CIL upon large retail development, on the following grounds: 1. The impact on policies promoting economic growth and employment opportunities - Tower Hamlets is seeking to install one of the highest levels of CIL for retail in the country so far, which we believe that this will not encourage retail development within the Borough that the Core strategy, its policies and the Retail and Leisure Capacity Study require. 2. The proposal to split small and large retail development - The approach falls outside the scope of the rate differentials permitted in the CIL Regulations. The evidence in the Viability Study does not justify the size thresholds proposed. 3. The financial assumptions and viability assessments contained in the Council's viability Report "The study contains retail development assumptions (Table 4.48.1 and Appendix 4) are inadequate as they do not make sufficient allowance for s106 contributions in addition to the CIL payments and the planning costs involved for a development. 4. Concerns about the Council's approach to setting CIL charges generally "Raise further concerns relating to a) change of use and conversion projects; b) CIL payments and the infrastructure requirements.	<p>The Council has updated the viability evidence to take account of the new guidance. This included reviewing a number of strategic sites and assumptions regarding Crossrail related levies. Several of the proposed CIL rates have been adjusted for non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough.</p> <p>The Council is considering operating a discretionary exceptional circumstances relief policy as set out in the Draft Charging Schedule. It should be noted that the circumstances in which exceptional circumstances relief can be applied are very narrow and limited by state aid issues.</p> <p>The Council's viability research has analysed the impact of CIL on retail development throughout the borough. The regulations allow for different charges to be established for different scales of use; it should be noted that differential rates for stores over 280sqm have been justified other CIL examinations (for example, Wycombe).</p>

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Cil_PDCS 21	Turley Associates on behalf of Sainsbury	2. Evidence; 3. Proposed CIL Rates & Charging Area	<b>OBJECT - The Viability Study should consider a range of unit sizes and associated land use values to better reflect the diverse range of local centres within the Borough. Adoption of an instalments policy “ further clarification is required within the Draft Charging Schedule so that the financial consequences can be modelled; Draft of an exceptions policy for the next round of consultation.</b>	<b>We wish to object to the differentiation by size approach upon large retail development, on the following grounds: 1.Regulation 13 of the CIL Regulations 2010 (as amended) does not allow differentiation by size against the same use. Such approach is legitimate when sufficient evidence is provided to demonstrate that there is: i) a different intended use and; ii) different viability either side of the threshold. There is inadequate justification for the 280 sq. m threshold within the Preliminary Draft Charging Schedule. For example, a store of 279 sq. m is the same intended use as one of 281 sq. m. NO genuine, clear, unambiguous difference between the two. 2. The evidence in the Viability Study has not undertaken a sufficiently find grained approach and does not justify the size thresholds proposed. The Study only refers to one retail scenario being 30,000 sq.ft proposal. Reference is given to both ~small retail' and large retail' uses however no further definition is provided within either the Study or either the Study or Preliminary Draft Charging Schedule. The 280 sq m threshold comes from Sunday trading law which is of little relevance to either use of viability. 3. The approach potentially offers a selective financial advantage, or State Aid, to the smaller stores. Any potential State Aid needs to be objectively justified and there is no adequate evidence supporting the Preliminary Draft Charging Schedule on this point in relation to different sizes of retail development.</b>	<b>The Council's viability research has analysed the impact of CIL on retail development throughout the borough. The regulations allow for different charges to be established for different scales of use; it should be noted that differential rates for stores over 280sqm have been justified other CIL examinations (for example, Wycombe).</b>

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Cil_PDCS 22	Drivers Jonas Deloitte on behalf of Barratt and British Land	2. Evidence; 3. Proposed CIL Rates & Charging Area	Prior to the publication of the Draft Charging Schedule, the Council should prepare an instalments policy, particularly relevant to the large scale schemes. Make amendments to policies to take account of paragraphs 84 - 89 of the CIL Guidance (December 2012) and provide further clarification within the charging schedule as to the consideration given to s106 contributions. Establish a Steering Group of public and private sector partners with an interest in development in the Borough to ensure a more thorough viability assessment is undertaken.	This is a site specific representation regarding the site bounded by Whitechapel High Street to the north, Commercial road to the east and Leman Street to the west. We are concerned about the level of CIL charging rates proposed and the methodology that has been used for setting the rates, particularly for residential, hotel and office development. Main comments are summarised below: Insufficient assessment of the viability of some development in the Borough, specifically, residential, hotel and office The Preliminary Draft Charging Schedule has not considered the latest CIL Guidance (December 2012) in terms of i) infrastructure planning, particularly for major sites (paragraph 12 to 19); ii) securing delivery of the local plan (paragraph 8, 27 and 28); iii) benchmarking proposed CIL charges against achieved s 106 agreements (paragraph 22) Inadequate consideration given to any abnormal costs for development schemes likely to coming forward, particularly relevant at Aldgate Place.	The Council has updated the viability evidence to take account of the new guidance. This included reviewing a number of strategic sites. This assessment has determined that the level of CIL charge can be supported. The level of Section 106 contributions will reduce with the implementation of CIL. The Council is reviewing its SPD and preparing a draft Regulation 123 list ahead of the Examination in Public to provide greater certainty for developers.
Cil_PDCS 23	John Bell on behalf of Network Wapping	Meaningful Proportion		We believe the approach of the CIL should be specifically recognise the role to be played by neighbourhood groups in implementing CIL, and; the requirement for local planning authorities to make a "meaningful contribution" from CIL available to local communities to address local infrastructure needs should make use of neighbourhood forums where these are established.	The Government has published draft regulations dealing and further statutory guidance is expected. The Council will consult further with communities on this in line with this further guidance.
Cil_PDCS 24	Quod on behalf of Berkeley Group	2. Evidence	Demonstrating that the proposed CIL charges contribute to the implementation of your relevant local plan (Para 8), particularly impacts on strategic sites and affordable housing (Paragraphs 27 and 29) Providing more details on infrastructure planning in terms of identifying more clearly what residual S106 requirements will be (particularly for	The proposed levels of CIL in Residential Charging Zone 1 and the City Fringe Office and Retail Zone are likely to have demonstrable harm on the delivery of strategic sites in the Borough. For the London Dock site the Council's own evidence presented to the Managing Development DPD examination shows that even without CIL, and with S106 contributions at very low levels, the combined obligations proposed by the Council would	The Council has updated the viability evidence several of the proposed CIL rates have been adjusted for non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough.



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			major sites), and what infrastructure will be funded via CIL (Paragraphs 12 to 19) Providing evidence on the levels of S106 contributions and affordable housing previously achieved, how much of this will not continue to be required under the CIL regime and therefore the implications for the overall 'pot' left to fund CIL and its implications on development (Paragraph 22) Improving the current Viability Study in order to respond to these points above and more general points on the methodology set out page 4 of this representation.	render the site unviable. Any CIL charge could only exacerbate this. The Council needs to set a zero rate for this site as the proposed charge is not viable. On the basis of our review of the Council's evidence base and in light of the new guidance and the lack of time to respond to the Preliminary Draft Charging Schedule, that the Council should re-run the preliminary stage of its CIL setting process. We believe that the Council needs to undertake additional work, in consultation with developers and others, to be consistent with the new statutory CIL guidance (December 2012) and therefore for any resulting charging schedule to be legally compliant. As you will be aware there is limited flexibility in revising a Draft Charging Schedule after it has been published, and changes are discouraged prior to examinations therefore moving directly to this stage will not have allowed a proper process of consultation.	The level of Section 106 contribution is likely to reduce with the imposition of CIL. The Council is reviewing its SPD and preparing a draft Regulation 123 list ahead of the EIP to provide greater certainty for developers.
Cil_PDCS 25	English Heritage	Discretionary Relief	Consider discretionary relief for heritage at risk assets.	We recognise the importance of CIL as a source of funding to deliver infrastructure to support growth; however, we are concerned that the application of a local CIL charge on developments could have an impact upon the significance and/or viability of regenerating heritage assets. It is suggested that where sites include Heritage at Risk Assets the charging schedule offers discretionary relief. This approach would reflect CIL Regulations (2010), paragraphs 55-58. By offering this relief the heritage-led regeneration of these valued and in need assets could be brought back into active re-use. In addition it will help deliver the National Planning Policy Framework's requirement for a positive strategy for the conservation and enjoyment of the historic environment (Para 126). We strongly recommend that the local authority's conservation staff involved throughout the preparation and implementation of the Draft Charging Schedule.	The Council is considering operating a discretionary exceptional circumstances relief policy as set out in the Draft Charging Schedule. It should be noted that the circumstances in which exceptional circumstances relief can be applied are very narrow and limited by state aid issues.

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Cil_PDCS 26	Natural England	Spending on infrastructure projects		We recognise the importance of CIL as a source of funding to deliver green infrastructure to support growth. As such we advise that the Council give careful consideration to how it intends to meet the needs of green infrastructure and potential infrastructure requirements may include: Access to natural greenspace Allotment provision Infrastructure identified in the local Rights of Way Improvement Plan Infrastructure identified by any Local natural partnerships and or BAP projects Infrastructure identified by any AONB management plans Infrastructure identified by any Green infrastructure strategies Other community aspirations or other green infrastructure projects (e.g. street tree planting). Any infrastructure requirements needed to ensure that the Local Plan is habitats Regulations Assessment compliant.	The Council has prepared an infrastructure delivery plan highlighting infrastructure funding priorities. Further meetings and discussions will take place with infrastructure providers and part of the Council's on-going infrastructure processes.
Cil_PDCS 27	Christine Trumper on behalf of Community Solutions	Meaningful proportion		We think that 15% CIL income should be given to community groups that directly benefit the immediate area and population adjacent to the site being developed. We believe the following wording should be added to the relevant sections: The chosen community groups(/s) should be able to show that they already benefit the immediate area and population adjacent to the site and that they will use the CIL monies to benefit the immediate area and population adjacent to the site being developed .	The Government has published draft regulations dealing with this and further statutory guidance is expected. The Council will consult further with communities on this in line with this further guidance.
Cil_PDCS 28	Conservative Cllr for Millwall Ward London Borough of Tower Hamlets	2. Evidence; 3. Proposed CIL Rates & Charging Area	I urge the Council to revise the proposed CIL rates for the Isle of Dogs.	I fully support the introduction of CIL in our Borough. The proposed rates are vastly different for development, ranging from £0 per sq. m to £425 per sq. m. However, the evidence base upon which these figures are based, is not provided. As a result, it is simply not possible to gauge whether these charges are reasonable for developers; how it benchmarks against neighbouring boroughs or comparable boroughs in London; or whether the level of contribution raised will be sufficient to cover the infrastructure requirements of new developments in Tower Hamlets. As a Cllr for Millwall, I am particularly concerned at the	The Council has amended the boundaries affecting the Isle of Dogs based on a review of the residential values. This has led to the creation of a lower charging zone in the north and covering south Isle of Dogs (See Appendix 1 of Draft Charging Schedule). CIL represents a small proportion of overall development costs and the possible 'cliff edge effects' of these boundaries are likely to be mitigated by the actual availability of sites, current land use and critically existing policy designations identified in the Council's Local Development Framework.

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				highly unusual way in which the Isle of Dogs is carved up under the proposed CIL charging rates. The northern half will have a residential levy of £200 per sq. m, whereas the southern part will be of only £35 per sq. m. The document provides no evidence to justify this huge discrepancy. The Preliminary Draft Charging Schedule also fails to explain why the eastern riverside of the Isle of Dogs will have a £200 per sqm. I am highly concerned that the proposed rates will create 'cliff edge' of development of the island, leading to a distorted pattern of development. Considering that the whole of the Isle of Dogs and the Leamouth area have similar infrastructure requirements and have good transport links, the current proposals for the island are not appropriate.	
Cil_PDCS 29	Savills on behalf of Housebuilders Consortium	3. Proposed CIL Rates & Charging Area	We urge the Council to make clear at an early stage the supporting documentation needed to operate CIL and to make it available for input/comment. The documentation should include: Guidance on how to calculate the relevant chargeable development (refer to the CLG Guidance, forms); Guidance on liability to pay CIL/ Appeal process; Instalments policy (based on a consideration for build out rates); Payments in-kind " notably valuation process for ascertaining land value and the potential to accept land for infrastructure as a payment in-kind; Guidance on relief from CIL and prepare exceptional circumstances for relief policy; Draft Regulation 123 list "set out the exact infrastructure projects that CIL will be collected for to avoid any double charging. Details on what will be charged by s106.	We are concerned with the approach proposed by LBTH, notably with regard to the levy proposed for residential use between £35 and £200 per sq.m, and the boundaries of each zone. The comments are summarised below: 1.The Preliminary Draft Charging Schedule fails to provide up to date, consistent and well informed evidence base of economic viability in order to test realistic scenarios against CIL rates (see section 5 of the representations for details). 2. The Preliminary Draft Charging Schedule and IDP are not fully complied with the current legislation and government policies.	<p>The Council has updated its viability evidence and several of the proposed CIL rates have been adjusted for non-residential uses to ensure the introduction of CIL positively enables the local Core Strategy objectives to be delivered, by striking an appropriate balance between the need to fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough. This updated evidence did not suggest a need to amend the residential rate.</p> <p>The level of Section 106 contributions will reduce with the implementation of CIL. The Council is reviewing its SPD and preparing a draft Regulation 123 list ahead of the Examination in Public to provide greater certainty for developers.</p> <p>Guidance is available on reliefs and CIL calculations which are determined at the national rather than local level. Further guidance on the implementation mechanisms will be developed to support the implementation of the CIL charging Schedule.</p>



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Cil_PDCS 30	Environment Agency	Non (Infrastructure)	Use CIL income to fund various flood defence works	The representation does not object to the charging schedule but rather recommends that the Council uses CIL income to fund various flood defence works	The Council has prepared an infrastructure delivery plan highlighting infrastructure funding priorities. Further meetings and discussions will take place with infrastructure providers and part of the Council's on-going infrastructure processes.

