

# Community Infrastructure Levy: Preliminary Draft Charging Schedule Summary of Consultation Reponses

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: -
  - 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.

<b>Appendix 1: Detailed Schedule of Repre</b>	sentations 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)	Infrastructur e 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.

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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.	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.  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).
Cil_PDCS 6	Planning Perspectives On behalf of National Grid Property Holdings	Discretionar y 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

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Cil_PDCS 8	GVA Grimley on behalf of Commercial Estates Group(Londo n)	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

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				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.

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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.	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.	fund infrastructure and the impact of CIL on economic viability of development, when taken as a whole across the borough.

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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 Blshopsgate 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.

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				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.

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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	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.  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.
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.	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.  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.

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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 \$106 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.	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.  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.  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.  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).

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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.	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.	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.  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.
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.	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:  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	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.

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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_PDCS 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.	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 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 21	Turley Associates on behalf of Sainsbury	2. Evidence; 3. Proposed CIL Rates & Charging Area	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.	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.	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).

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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 \$106 contributions. Establish a Steering Group of public and private sector partners with an interest in development in the Borough to ensure a more through 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	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	Discretionar y Relief	Consider discretionary relief for heritage at risk assets.	allowed a proper process of consultation.  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 infrastructur e 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 CIIr 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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ID		Section			
Cil_PDCS 29	Savills on behalf of Housebuilder s 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.	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.  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 the 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.	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.  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.  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.

Commer	Organisation	Commented Section	Recommendations by Representations	Summary of Representation	Council's Response
Cil_PDC	Environment Agency	Non (Infrastructu re)		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.