

4 June 2013  
TH CIL Representation Letter 040613



CIL Consultation  
Infrastructure Planning Team  
London Borough of Tower Hamlets  
2nd Floor Mulberry Place  
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London  
E14 2BG



Dear Sirs,

**REPRESENTATIONS TO TOWER HAMLETS COMMUNITY INFRASTRUCTURE LEVY (CIL) DRAFT CHARGING SCHEDULE**

Savills has been instructed by Grosvenor, One Housing Group and Telford Homes plc (hereafter The Consortium) to submit representations to the London Borough of Tower Hamlets' Draft Community Infrastructure Levy (CIL) Charging Schedule. In submitting these representations we wish to register our right to be heard by the CIL Examiner at the forthcoming Examination in Public.

**Preliminary Draft Charging Schedule**

Savills submitted detailed representations to the Preliminary Draft Charging Schedule in January 2013. Those representations expressed concern with the proposed CIL, and in particular:

- Sales values
- Zoning boundaries
- Land value assumptions
- Infrastructure costs
- Affordable Housing

The representations also urged the London Borough of Tower Hamlets (LBTH) to reconsider the proposed planning mechanisms to ensure conformity with the CIL Regulations and best practice guidance, focusing on the following:

- Instalments policy
- Exceptional Circumstances Relief
- Payments in Kind/ Land in Lieu or bespoke CIL rates for major development sites
- Infrastructure Planning/ Regulation 123 List

A copy of Savills representations to the Preliminary Draft Charging Schedule is attached to this letter for reference.

**Draft Charging Schedule**

LBTH has now published the Draft Charging Schedule for consultation and Savills now submit the following comments on behalf of The Consortium. LBTH also provided a letter dated 7<sup>th</sup> May 2013 which provided a detailed response to the points raised above.



### Sales Values

We have provided significant evidence of actual sales values achieved for developments within the Borough, where as BNP have produced a summary table which provides average values for the Borough from EGi and Molior. It is not clear whether these are base upon actual sales values however we would note that Molior does not provide sales values for schemes.

### Zoning Boundaries

We have also provided significant evidence, in the form of heat maps based on Land Registry data, which identifies a number of disparities between the zoning boundaries. We would also note that the zoning boundaries have changed since the previous consultation and there does not appear to be any commentary and evidence as to why the zoning boundary has changed.

### Infrastructure Costs

Our representation at the Draft Stage identified that BNP do not appear to have included an allowance for infrastructure costs in their appraisals, the letter provided by LBTH did not provide a response to this.

### Affordable Housing

You have informed us that BNP have assumed affordable housing values across the site types and locations tested range from £136 per sq.ft to £202 per sq.ft. We do not believe this represents the value that a Registered Provider would pay for affordable housing in Tower Hamlets and would recommend Local Authority seeks confirmation from their preferred Registered Providers to confirm the above.

### Instalments

Savills welcomes the fact that LBTH intends to introduce an instalments policy however it is disappointing that this has not been published alongside the Draft Charging Schedule giving stakeholders an opportunity to comment. Notwithstanding this it is critical that in formulating the instalments policy that funding constraints and cash flow of schemes is recognised, whether applications are submitted in outline, full or hybrid form. Savills therefore advise that the phasing of payments should accord with build out rates. Savills also suggest that a threshold is defined for larger schemes for which a bespoke payment method can be agreed in writing as part of the application process.

### Exceptional Circumstances Relief

The Council has confirmed that they will consider exceptional circumstances relief on a case by case basis

### Payments in Kind/ Land in Lieu

The revised Planning Obligations SPD states that the Council may accept payments in kind.

### Regulation 123

LBTH has now published a Draft Regulation 123 list alongside the Draft Charging Schedule.

We would also note that the Infrastructure Delivery Plan (IDP) has been updated to reflect current infrastructure requirements as requested. There is however no mention of funding from the New Homes Bonus which amounts to £16m for 2013/14 so should be factored in when calculating the funding gap.



### **Conclusion**

Given the above comments The Consortium respectfully urges the London Borough of Tower Hamlets to reconsider its proposed approach to its Community Infrastructure Levy before the Draft Charging Schedule is submitted for Examination, particularly in light of recent Examiner's comments. In submitting these representations we wish to register our right to be heard by the CIL Examiner at the forthcoming Examination in Public.