

Our ref:

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Dear Sirs

REPRESENTATIONS ON THE DRAFT CIL CHARGING SCHEDULE

Thank you for providing us with the opportunity to comment on the Draft CIL Charging Schedule. These representations are submitted on behalf of Safestore.

Safestore owns a 1.4 ha site located in Whitechapel and which is currently in storage use. Since July 2011, Safestore has engaged with LBTH in relation to the future development of the site and the wider Whitechapel. This has been through engagement in the preparation of the adopted Managing Development Document, and more recently, through pre-application discussions relating to the future development of the site and its potential identification as a major opportunity site in the emerging Whitechapel Masterplan.

The advice received from officers to date has been supportive of proposals for the residential led mixed use redevelopment of the site and identifies the potential for it to contribute significantly to the successful future development of Whitechapel. Safestore is therefore currently undergoing a site marketing process to secure a development partner to help it to deliver this opportunity. It is envisaged that a planning application will be submitted towards the end of the year.

It is within this background and context that the following representations are made.

We note that the intention of CIL is to provide developers with more certainty about the costs associated with a development. It is acknowledged that the monies collected through CIL will be used to fund the local infrastructure that is required to support new development and growth in the Borough and this is welcomed.

Furthermore, we note that CIL will replace s106 agreements as the primary tariff based system to secure some or all of the funds necessary to provide infrastructure to support the sustainable development of the borough. The ongoing use of s106 agreements to secure the provision of affordable housing and site specific infrastructure and requirements is acknowledged.

We also understand that the borough's proposed levels of CIL have been tested in combination with its other planning requirements, including the provision of affordable housing. In this regard, Paragraph 5.3 of the Draft Charging Schedule states that in establishing the CIL rates, "*a policy compliant affordable housing provision of 35% was assumed*". We would point out, however, that both London Plan and the borough's own Local Development Framework policies make it clear that the requirement to provide the maximum reasonable provision of affordable housing in developments is "*subject to viability*" and that a policy compliant level of affordable housing can

therefore be as low as 0% where it is demonstrated as not being viable for development to provide more. We therefore recommend that Paragraph 5.3 of the Draft Charging Schedule should be amended to read:

“In establishing the rates, set out in the table below, a policy compliant target level of affordable housing of 35% was assumed.”

As stated in the NPPF, development should not be subject to such a scale of obligations and policy burdens that its ability to be developed viably is threatened. To ensure viability, it is stated in the NPPF that the costs of any requirements likely to be applied to development, such as requirements for affordable housing and infrastructure contributions, should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable. Specifically, the NPPF states that CIL should “support and incentivise new development”.

The latest Department of Communities and Local Government (DCLG) guidance on CIL, published December 2012, states that “charging authorities should avoid setting a charge right up to the limits of viability across the vast majority of sites in their area”. Regulation 14 of the Community Infrastructure Levy Regulations 2010 similarly states that charging authorities, in setting levy rates, “must aim to strike what appears to the charging authority to be an appropriate balance between” the desirability of funding infrastructure from the levy and “the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area”.

Acknowledging all of the above in the context of the Safestore site in Whitechapel and the viability of any future development proposals that come forward, it is noted that CIL (both borough CIL and Mayoral CIL) is the top ‘slice’ cost on development and is non-negotiable. Whilst the appropriate time to test the viability of any development proposal for the site will be at the planning application stage, it is noted that in order to ensure that development remains viable whilst meeting its CIL requirements, it is other obligations, including the provision of affordable housing that may need to be reduced to below the target policy level of 35%.

Increasing the supply of housing and, in particular, affordable housing is one of the top priorities of the borough. The majority of developments within the borough are already at the ‘margins of viability’, with the level of Section 106 contributions and other obligations, such as affordable housing, secured. This is evidenced by the number of residential schemes, for example, where the maximum amount of affordable housing that can be provided falls below the borough’s policy targets. The Safestore site in Whitechapel is located in the borough’s CIL Charging Zone 2 (where residential development is charged at £65 per sqm) and whilst the viability of any scheme will need to be tested through a future planning application, it is noted that there will be little flexibility for the borough to negotiate to secure its key priorities, including affordable housing, because of the need for development to first meet its CIL requirements before other obligations can be considered. Similarly, it is noted that where the proposed rate of £425 per sqm for student housing identified across all charging zones in the borough, and including Whitechapel, is adopted, then this will be likely impact heavily on the viability of schemes incorporating student house and make it less likely that other infrastructure and affordable housing priorities can be delivered.

We look forward to receiving confirmation that these representations have been received. We reserve the right to make further representations during any subsequent consultation periods and to attend the Examination in Public, as necessary.

Yours faithfully

GVA

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Acting on behalf of Safestore