

Appendix F for the Cabinet Report:  
Revised Draft Community Infrastructure Levy  
Charging Schedule

**December 2013**

| <b>No.</b> | <b>Title</b>                                                                                    |
|------------|-------------------------------------------------------------------------------------------------|
| Appendix A | Community infrastructure levy (CIL) revised draft charging schedule (available with the report) |
| Appendix B | Draft Regulation 123 list (available with the report)                                           |
| Appendix C | Infrastructure Plan (available on the website)                                                  |
| Appendix D | Equalities Analysis (available on the website)                                                  |
| Appendix E | Consultation Plan (available on the website)                                                    |
| Appendix F | Consultation Report (available on the website)                                                  |
| Appendix G | House price heat map (available on the website)                                                 |



# **Draft CIL Charging Schedule Consultation Report**

**December 2013**

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All documents are available in libraries and One Stop shops and on our website

### **Appendix A**

Draft CIL Charging Schedule – Consultation Plan

### **Appendix B**

List of locations where documents were made available to view (CIL Regulation 15 (5))

### **Appendix C**

List of consultees including consultation bodies (CIL Regulations 15 (2) (5))

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Draft CIL Charging Schedule consultation letter (CIL Regulations 15 (2) (5))

### **Appendix E**

Press Notice

### **Appendix F**

Responses and officer comments on the Draft CIL Charging Schedule

## **1. Introduction**

### **1.1 What is the Community Infrastructure Levy?**

- 1.1.1. The Community Infrastructure Levy (CIL) is a new levy that local authorities can choose to charge on new developments in their area. The money can be used to support development by helping to fund strategic local infrastructure that the council, local community and neighbourhoods want.
- 1.1.2. CIL is a fixed, transparent charge which means developers have more certainty regarding what they have to contribute from the very start of the development process. Because the purpose of CIL is to support growth rather than mitigate impacts of specific developments, it can be used more strategically than s106 contributions.
- 1.1.3. Under the Community Infrastructure Levy Regulations (2010) (as amended), the amount of CIL to be paid has to be explained in a formal document called a Charging Schedule. The Charging Schedule needs to be examined by an independent inspector to ensure we have met the legal requirements. Once the Cabinet have adopted the Charging Schedule, it will sit alongside the Core Strategy (or New Southwark Plan), and help us deliver our development objectives.
- 1.1.4. The process of developing and preparing the Charging Schedule needs to meet the statutory consultation requirements. In preparing the CIL Charging Schedule we need to prepare two iterations, and undertake two rounds of public consultation on these documents. The Charging Schedule must be supported by evidence, which includes the economic viability of new development and the area's infrastructure needs.
- 1.1.5. We have consulted on our Preliminary Draft CIL Charging Schedule and also the Draft CIL Charging Schedule. We decided to re-consult on a revised Draft CIL Charging Schedule following additional viability work and also to more specifically address and respond to the government's CIL Guidance 2013).

### **1.2 What is this consultation report?**

- 1.2.1. We published a consultation plan in February 2013 which set out the consultation we intended to do on the Draft CIL Charging Schedule. This is in accordance with our adopted Statement of Community Involvement (SCI) (2007), which explains how we will consult stakeholders, landowners, the community and businesses in the preparation of planning policy documents and the Community Infrastructure Levy (CIL) Regulations 2010 (as amended).
- 1.2.2. The purpose of this consultation report is to summarise the consultation that has taken place, the comments that have been submitted, our responses to these comments, and overall, the ways in which we have met the requirements set out in our SCI and the CIL Regulations.
- 1.2.3. Appendix F sets out our comments on all of the responses we received at the Draft stage stating whether we have made changes to reflect the response, and our reasoning for why we have/have not made amendments.
- 1.2.4. The Localism Act (2011) introduced the "Duty to Co-operate", which requires local authorities to engage with a range of bodies on an ongoing basis as part of the

production of planning policy documents. Much of the process that is required by the new Duty to Co-operate is already covered in our SCI and has been an integral part of the preparation of new planning policy in the borough. There is no legal duty for CIL charging authorities to cooperate in preparing their CIL Charging Schedules. However, as a matter of good practice, we continue to engage constructively with other local planning authorities and other public bodies on the preparation of our CIL, following the approach set out in the NPPF. The mechanisms for and evidence of cooperation and engagement is set out in section 3.

### **1.3 How to find your way around this document?**

1.3.1 Within this consultation report we set out the following:

- Section 1: Introduction to the CIL Charging Schedule and this consultation report.
- Section 2: The stages of consultation we have carried out so far and what happens next
- Section 3: The consultation we carried out on the Draft CIL Charging schedule and a summary of comments we received.
- Section 4: How and why we monitor our consultation.
- Appendices: We set out a copy of our press notice, the consultation mail out letter, and all the responses and our officer comments received on the **Draft**.

### **1.4 Where to get more information**

1.4.1 The revised Draft CIL Charging Schedule and all the documents that support the proposed charging schedule can be viewed on our website:

[www.southwark.gov.uk/info/856/planning\\_policy/2696/community\\_infrastructure\\_levy](http://www.southwark.gov.uk/info/856/planning_policy/2696/community_infrastructure_levy)

1.4.2 Copies are also available by contacting the planning policy team at:

Email: [planningpolicy@southwark.gov.uk](mailto:planningpolicy@southwark.gov.uk) or telephone 020 7525 5471

1.4.3 All the documents are also available to view in our libraries and one stop shops (see consultation plan appendix A).

## 2. Stages of consultation

### 2.1 What stages of consultation have been carried out so far?

| STAGE OF CONSULTATION                                       | WHEN DID IT OCCUR?              |
|-------------------------------------------------------------|---------------------------------|
| Consultation on the Preliminary Draft CIL Charging Schedule | 10 July 2012 – 17 October 2012  |
| Consultation on the Draft CIL Charging Schedule             | 20 February 2013 - 3 April 2013 |

### 2.2 What was consulted on at the Draft stage?

- Draft CIL Charging Schedule: To charge CIL the Council must prepare, consult and adopt a Charging Schedule setting out the levy rates.
- The CIL Viability Study (January 2013): Explains the development viability evidence on which the CIL rates are based.
- The Infrastructure Plan (2013): Provides a list of the projects or types of infrastructure that are needed to support the growth which is planned over the Core Strategy plan period. The total indicative cost of these projects, where known, has then been compared with the funds that are known or are expected to be available from other sources including the Council's capital programme. The IP reveals a funding gap which CIL could make a significant contribution towards. The IP is required to demonstrate the need to levy CIL.
- The CIL Charging Schedule background document: Provides background to the Draft CIL charging schedule explaining the general principles of CIL, the evidence base and the methods used to arrive at the proposed rates.
- The Equalities Analysis: Assesses the likely impact of the Draft CIL Charging Schedule on the nine protected characteristics groups (age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation). It looks at the impact of CIL in relation to equality, diversity and social cohesion.

### 2.3 What happens next?

- 2.3.1 We are now consulting on the revised Draft CIL Charging Schedule. Once we have finished consulting we will collate all the responses we receive and see whether we need to make any further modifications to the Draft Charging Schedule. Where any modifications are proposed, the CIL Regulations (19) and (21) (as amended) requires us to produce a 'Statement of Modifications' and allow a period of four weeks for consultees to submit a request to be heard by the examiner in relation to those modifications, beginning on the day which the Draft Charging Schedule is submitted to the Examiner.
- 2.3.2 We will submit the revised Draft CIL Charging Schedule to the CIL Examiner along with a consultation statement, which will set out our officer comments on all the responses we received at each successive stage of consultation, and our evidence base.

2.3.3 The Draft CIL Charging Schedule will then be examined by an independent inspector, at a public hearing, and this person will determine whether the Charging Schedule has met the requirements of the CIL Regulations (2010) (as amended).

2.3.4 The format for the CIL examination hearings will be similar to those for development plan documents and the independent inspector may determine the examination procedures and set time limits for those wishing to be heard to ensure that the examination is conducted in an efficient and effective manner.

2.3.5 We will update our website at each stage of the process to ensure that the timescales and process is made clear.

| <b>STAGE OF CONSULTATION</b>                            | <b>WHEN WILL IT OCCUR?</b>          |
|---------------------------------------------------------|-------------------------------------|
| Consultation on the revised Draft CIL Charging Schedule | 3 December 2013 to 25 February 2014 |
| Submit to the Planning Inspectorate                     | March 2014                          |
| Pre-hearing meeting                                     | tbc                                 |
| Examination in Public                                   | June/July 2014                      |
| Receive Inspector's report                              | September 2014                      |
| Adoption                                                | October 2014                        |

### 3. Draft CIL Charging Schedule

#### 3.1. Who was consulted and how?

3.1.1. Table 1 sets out the main consultation that has been carried out. It shows how we met our statutory requirements in the CIL Regulations (2010) (as amended) and the additional consultation we carried out in accordance with our statement of community involvement. We carried out 8 weeks of consultation between the 20 February and 3 April 2013.

**Table 1**

|                                | <b>Method</b>                                                                                                                              | <b>Further detail</b>                                                                                                                                                                                                                                                                                                                                                                                           | <b>Date</b>          |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <b>Statutory requirement</b>   | Letter sent to consultees who fall within CIL Regulations (2010) (15) inviting representations on the preliminary draft charging schedule. | A letter (appendix D) explaining the purpose of the Community Infrastructure Levy and the preliminary draft CIL Charging Schedule was sent to over 3,000 consultees on our mailing list including residents, schools, local traders, local businesses, land owners, community groups and voluntary organisations (Appendix C). The mailing list includes the statutory consultees set out in CIL Regulation 15. | 19 February 2013     |
| <b>Additional consultation</b> | Display the draft CIL Charging Schedule, its evidence base and supporting documents at libraries, one-stop shops and area housing offices. | The draft CIL Charging Schedule was made available in all of the libraries, the one stop shops and area housing offices during the week commencing (Appendix B).                                                                                                                                                                                                                                                | w/c 18 February 2013 |
|                                | Display the draft CIL Charging Schedule and accompanying documents on the council's website                                                | The draft CIL Charging Schedule and its supporting documents were displayed on the Planning Policy website.                                                                                                                                                                                                                                                                                                     | 20 February 2013     |
|                                | Place a press notice in the local newspaper to advertise the start of the formal consultation period.                                      | An advertisement was published in the Southwark News to announce the start of the formal consultation period and to invite representations to the consultation (Appendix E).                                                                                                                                                                                                                                    | 21 February 2013     |



|  | <b>Method</b>                                    | <b>Further detail</b>                                                                                               | <b>Date</b>   |
|--|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------|
|  | Presentations to community councils              | We attended community councils and provided a 5 minute presentation introducing the purpose of the consultation     |               |
|  |                                                  | Peckham and Nunhead                                                                                                 | 17 April 2013 |
|  |                                                  | Camberwell                                                                                                          | 17 April 2013 |
|  |                                                  | Dulwich                                                                                                             | 22 April 2013 |
|  |                                                  | Bermondsey and Rotherhithe                                                                                          | 12 March 2013 |
|  |                                                  | Bankside, Borough and Walworth                                                                                      | 22 April 2013 |
|  | Consultation with Southwark's Planning Committee | A report was presented to Planning Committee on the preliminary draft CIL Charging Schedule requesting their views. | 5 March 2013  |
|  |                                                  |                                                                                                                     |               |

3.1.2. We have and continue to engage constructively with the GLA, TfL and other local authorities and public bodies on the preparation of our CIL.

3.1.3. Table 2 sets out details of engagement with some of our key stakeholders and other bodies.

**Table 2:**

| <b>Public body</b>         | <b>Council's engagement and cooperation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Local Planning Authorities | <p>The production of CIL charging schedules is a standing item on the Association of London Borough Planning Officers (ALBPO) meetings which occur bi-monthly. ALBPO includes representatives from all of London's local authorities. The last meeting was held in 5 November 2013 and which all boroughs gave an update on proposed rates, timetables and issues.</p> <p>In addition to briefing updates via ALBPO Southwark has met with Lambeth and Lewisham to discuss cross-boundary matters, potential for joint working and to update each other on local plan development and recent experiences. No concerns were raised regarding our proposed CIL rates.</p> <p>Upon publication of the draft, all neighbouring local authorities were formally sent notification, however only the City responded and then only to confirm that they have no comment to make.</p> <p>We will continue to update our neighbouring local authorities on progress with our CIL through the ALBPO, individual meetings through consultation on the draft CIL Charging Schedule.</p> |
| The Environment Agency     | <p>The Environment Agency (EA) was formally notified of the publication of the draft Charging Schedule and the Infrastructure Plan. The EA have provided comments on the Infrastructure Plan regarding the inclusion of projects which could be funded in part or wholly through CIL. We have reviewed their response and responded accordingly within Appendix F of this report.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| <b>Public body</b>                            | <b>Council's engagement and cooperation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| English Heritage                              | English Heritage was formally notified of the publication of the draft Charging Schedule and the Infrastructure Plan. EH have provided comments on the Infrastructure Plan regarding the inclusion of projects which could be funded in part or wholly through CIL. We have reviewed their response and responded accordingly within Appendix F of this report.                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| The Historic Buildings & Monuments Commission | The conservation, management and maintenance of Southwark's historic buildings and scheduled monuments are considered to be site/asset specific matters rather than strategic infrastructure to be covered by CIL. They therefore continue to fall within the remit of Section 106 agreements for private assets and site specific mitigation and management requirements or the Council's own asset management plans, where such assets are located within public land. As such, other than notifying the Historic Buildings & Monuments Commission of the publication of the draft, we have not sought more active engagement with this particular body. No representation was received from this body; however, we will continue to notify the Commission on the progression of our charging schedule. |
| Natural England                               | Natural England (NE) has and continues to be engaged in the preparation of Southwark's various local planning policy documents. NE was formally notified of publication of the draft charging schedule. We will therefore continue to engage with NE over the production and implementation of the CIL charging schedule and seek to address and respond to any issues raised by NE through this process.                                                                                                                                                                                                                                                                                                                                                                                                 |
| The GLA                                       | The Mayor of London has been engaged in the preparation of Southwark's planning policy documents. Projects in our Infrastructure Plan have attracted successful bid funding for delivery via the Mayors Outer London Fund round 2 and Community Restoration fund. In the GLA's response letter concerns were expressed about the viability of the council's proposed rates and the evidence which justified them. We will therefore continue to formally notify the Mayor of the progress being made on the CIL charging schedule.                                                                                                                                                                                                                                                                        |
| Homes and Communities Agency                  | The Mayor of London has now taken over the responsibilities of the HCA within London, so our engagement with HCA functions is now undertaken as part of our engagement with the Mayor of London (see comments above).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Public body          | Council's engagement and cooperation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NHS Southwark        | At the strategic level the Council and the NHS Southwark work together to help promote good health amongst residents and plan for primary and community health care. We have meet with the NHS Southwark on many occasions over the years to understand key health issues facing the borough, the need/demand/levels and specific requirements for new healthcare provision to serve existing and new communities and Southwark's changing demographics, as well as the NHS Southwark's proposed capital and estates strategies for the borough. While the Council has actively sought to engage GPs, this continues to be on a one to one basis rather than with a GP consortium, and therefore has not been overly effective as yet in informing any review or update of the Infrastructure Plan. We received a representation on the Infrastructure Plan and have formally responded to the points which have been raised in Appendix F of this report. We will continue to notify and consult the NHS Southwark and all known local GPs and health providers on such matters as local planning and progress on the draft CIL charging schedule. |
| Transport for London | TfL have been engaged both in the review of the Council's Transport Plan and more recently in reviewing the options for the Elephant and Castle northern roundabout and the Northern Line ticket hall, Camberwell town centre scheme and Rotherhithe pedestrian and cycling improvements. The discussions and preliminary costings for these projects have informed the Infrastructure Plan. The Council hopes to continue its joint working with TfL to continue to refine the potential transport measures to be employed for specific sites/junctions as well as in the design, costing, funding and delivery of transport improvements. Such information will be important in any review of the CIL in coming years. TfL were directly notified of the publication of the draft CIL charging schedule. We will continue to notify TfL, and will continue to seek TfL engagement in the preparation of our local planning policy documents and the CIL, and the supporting transport infrastructure requirements. Where appropriate, the Infrastructure Plan will be updated to reflect such engagement.                                         |
| Highway Authority    | Southwark Council and TfL are the Highways Authority within Southwark. See comments above regarding engagement of TfL.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

### 3.2 How many comments were received on the Preliminary Draft CIL Charging Schedule?

- 3.2.1 We received 39 responses to the consultation from landowners/developers/groups and individuals. We separated each response into 162 representations focussed on the Draft Charging Schedule, Infrastructure Plan, Charging Zone Map, CIL Viability Study and general comments.

### 3. Summary of responses

- 3.3.1. The responses we received on the Draft CIL Charging Schedule are set out in full with our officer comments in Appendix F. The comments received have informed the preparation of the revised Draft CIL Charging Schedule. We have set out a summary of the responses received and our officer response to the issues raised below.

- 3.3.2. A large number of the respondents commented that it was not clear how the council had regard to the various requirements and provisions contained in the government's statutory guidance document i.e. 'Community Infrastructure Levy: Guidance' (December 2012 and updated April 2013).
- 3.3.3. The CIL Viability Study and our supporting CIL background paper have both now been updated to set out clearly how we have addressed the provisions in the guidance document in proposing the CIL rates for development in the borough.

#### CIL Viability Study development site appraisal assumptions

- 3.3.4. The various assumptions used in the site appraisals have been criticised by some respondents in a number of specific respects. Some respondents considered that there was insufficient evidence to support the existing use land values, the premiums, profit margins, professional fees, sales values, and rental values. Some considered that there appears to be no analysis or consideration of current market conditions and market values across different property uses and across the borough. Further explanation on the rationale for the inputs into the appraisals should be included in the study to allow further scrutiny.
- 3.3.5. There was a suggestion that market value should be used as opposed to existing use value in the appraisals. Some respondents queried whether there was an adequate assumption applied for existing floorspace within the viability appraisals, as this is "credited" in calculating the eventual CIL liability.
- 3.3.6. The allowances applied for Section 278 and Section 106 costs have been criticised for being too low, which has been stated to have an impact on the sites tested and the viable levels of CIL.

#### **Comments**

- 3.3.7. The guidance document 'Viability Testing Local Plans: Advice for planning practitioners', is recommended for use by local authorities and their consultants to plan wide viability and CIL. The approach taken in the RICS guidance to plan making viability and CIL is not recommended by the advice given in this document. Existing use value has been applied and is effectively the 'bottom line' in a financial sense and therefore a key factor in the CIL Viability Study. The existing use value for each site is determined by the existing use/building on the site, based on local market rents and yields or land values for the relevant property type. These values are therefore based on local market information.
- 3.3.8. The viability study used a residual valuation approach and included reasonable standard assumptions for a range of factors, such as sales values, build costs and professional fees. BNP Paribas have used current day data for the sales values for residential development, by using evidence of sold properties and also those on the market to establish the appropriate values for testing purposes. They also have undertaken sensitivity analyses assuming growth in sales values of between 10% and 20%, accompanied by cost inflation of between 5% as well as a fall of 10%. The study has been updated with information on current market trends, particularly on residential sales volumes and prices and office lease/sales transactions. Build costs for commercial schemes have been sourced from the RICS Building Cost Information Service (BCIS), which is based on tenders for actual schemes, plus an additional allowance for meeting BREEAM 'Excellent' standards. These costs vary between different uses and include external works and fees. Appendix 3 of the CIL

Viability Study now includes a table of all the inputs for each development appraisal, to ensure there is greater transparency in the viability appraisals.

- 3.3.9. An assumption has been included in the appraisals for those sites where the existing floorspace is unknown.
- 3.3.10. The appraisals have been re-run to include a higher Section 106/Section 278 cost of £1,500 per unit.

#### Level of CIL rates

- 3.3.11. Several respondents identified that the council needed to explain further how the draft CIL Charging Schedule accords with the National Planning Policy Framework (NPPF). In particular paragraphs 173 and 175 of the NPPF which explain that obligations and policy burdens on development should not threaten viability/deliverability and that CIL should be tested alongside the Local Plan. The evidence needs to be able to conclude that the proposed rates will be viable for the sufficient number and type of developments upon which the Local Plan relies i.e. strategic sites, over the course of the plan period.
- 3.3.12. Concerns were expressed over the overall viability of development, given the imposition of CIL alongside mayoral CIL, residual Section 106 requirements and affordable housing obligations.
- 3.3.13. The proposed residential CIL rates were considered disproportionately high relative to average residential sales values when compared with similar central London boroughs. Concern was expressed that this will impact upon development delivery. More comparison is needed on sales values achieved.
- 3.3.14. With regard to the proposed retail CIL rates and the differentiation by type of development (i.e.) supermarkets and shopping centres, one respondent noted that the CIL Regulations do not allow authorities to differentiate CIL rates in this manner. Another considered that the viability evidence to support the distinction between the retail differential CIL rates was insufficient.
- 3.3.15. With regard to the proposed office CIL rate, there was a view by a few respondents that the £70 CIL rate for Zone 1 is not based on sufficient evidence.
- 3.3.16. Both Kings College and LSBU queried the evidence which supports the consistent CIL rate between student housing and general housing, stating that there is a lack of detail behind the assumptions which support the proposed rates. It was requested that further information is provided regarding the comparable values and yields for residential and student accommodation. Similarly, further clarity is requested regarding whether testing includes consideration of the difference in rent yields between university nomination (lower) and direct let (higher) student accommodation. The viability evidence assumes all schemes with subsidised rent will be developed where university is majority landowner and therefore are CIL exempt. Student accommodation provided by universities should qualify for relief from CIL, even if they are not the majority landowner.
- 3.3.17. Several respondents questioned the justification and evidence for the proposed £30 CIL rate for all other uses, which would be applicable to uses such as police and fire premises which are considered to be necessary community infrastructure. Furthermore, publically funded community facilities i.e. community centres and youth facilities would also fall under 'other' uses and be charged.

## Comments

- 3.3.18. In relation to the delivery of our housing target set out in the Core Strategy (2011), despite the recent recession, there is nothing to indicate that new sites would not continue to come forward as anticipated once the CIL is in place at the rates proposed. It should be borne in mind that CIL is only levied on the 'net additional floor space', therefore redevelopment and regeneration proposals of existing sites will only be required to pay for additional built floor space. The viability study has been updated to provide additional clarification on the spread of development sites across the borough which have been appraised. As recommended by the government's CIL guidance, a number of the sample sites tested relate to the development of strategic growth areas upon which the Local Plan relies. Figure 3.17.2 of the CIL Viability Study identifies the location of the opportunity areas/action areas in the borough and the location of the sample sites. The location of the sites chosen for testing reflects the growth areas identified for the borough in the Local Plan. Over 75% of the Council's 5 year supply of homes already has planning permission. The Council is reliant on the delivery of numerous sites to meet its London Plan housing targets: there are only two sites which account for more than 5% of the Council's 10 year housing target, being the Heygate estate redevelopment (which has planning permission) and the Aylesbury estate redevelopment (the first two sites of which have permission).
- 3.3.19. With regard to the proposed residential CIL rates, we proposed to maintain the charge of £400 per sqm in the revised zone 1. There are generally few residential developments in this zone and those which have been built recently or are under construction are generating residential values which are significantly higher than elsewhere in the borough. These differences in land values are starkly represented on a "heat map" of house prices across the borough (which is included in Appendix 1 of the background paper). However, following the additional viability work, we are proposing to reduce the charge for Zone 2 (previously zone 3) which includes Elephant and Castle, Bermondsey Spa, Canada Water, Camberwell, Nunhead, East Dulwich and Dulwich. This will be reduced from £250 per sqm to £200 per sqm. Most homes in the borough which are expected to be built over the next 20 years are in this zone. No change is proposed to the Zone 3 (previously zone 4) £50 per sqm charge. The CIL rates are comparable with neighbouring boroughs which have published rates. Lambeth is proposing charges of £265/£150/£50; the City is proposing £150/£95; Tower Hamlets is proposing £200/£65/£35. Wandsworth has adopted a CIL of £250 p/sqm across the borough, with a £575 p/sqm charge in Vauxhall and Nine Elms (which has a much lower affordable housing requirement than Southwark).
- 3.3.20. The viability study has included an average sum for section 106 and section 278 costs (£1,500 for residential and £30 for commercial) which have been levied in the past, into the viability site appraisal calculations to ensure we have made an allowance for charges that may be applicable outside of CIL. Overall, the relatively small percentage of gross development value and/or overall costs attributable to the CIL (less than 5%) on a net new build basis is unlikely to make a critical difference over viability in most cases. Therefore, there should not be a serious risk to new housing delivery as a result of the CIL, and no changes are proposed to the rates set out in the CIL schedule.
- 3.3.21. With regard to the proposed differential retail CIL rates, we have been mindful of government guidance and the proposed approach is justified by the evidence relating to economic viability that constitutes the basis for any such differences in treatment.

Our appraisals indicate that the most viable schemes are destination superstores, supermarkets and shopping centres / malls. The critical mass of floorspace of these types of retail creates a distinct intended use as they are destinations for either a weekly food shop or for comparison shopping, which provide a sufficient quantum of car parking.

3.3.22. With regard to office developments, we are proposing to maintain the charge for office space in CIL zone 1 at £70 p/sqm. Office rents in the borough's prime office locations have been rising over the last 12 months and office schemes in zone 1 should be able to absorb Southwark's CIL, as well as the Mayor's Crossrail s106 which is also payable. The CIL Viability Study has been updated to include information on recent market transactions. Outside CIL zone 1, the appraisals suggested that office developments are largely unviable at current values. Similarly, the appraisals suggested that industrial and warehousing developments are largely unviable and therefore a CIL levy of £0 p/sqm for these uses is maintained.

3.3.23. We have reviewed the evidence on student housing schemes by carrying out a number of further appraisals. The viability appraisals have shown that private sector (direct let) student accommodation rents are able to generate sufficient surplus residual values, even after allowing for 35% of proposed floorspace as affordable housing, to absorb a maximum CIL of up to £1,549 per square metre exclusive of Mayoral CIL. For university led (nomination) schemes, the reduced rent levels require cross subsidy from university resources, however, when developed these schemes are likely to be exempt from CIL given the universities' charitable status when the university can demonstrate they are the majority land owner. None could provide 35% affordable housing, which is a requirement of the Core Strategy, and CIL. To address the concerns raised that universities do not always own land on which their developments are located and in those circumstances will be liable to pay CIL, we council are proposing to amend the CIL rates by defining the two types of student accommodation. A nil charge is proposed for nomination schemes and a CIL of £100 per square metre for direct let schemes. Further commentary has been added into the viability study to provide additional explanation.

3.3.24. The proposed £30 charge for all other uses is considered justified by the viability evidence. Applying a modest CIL to such uses is considered to be unlikely to adversely affect the viability of such developments.

### **Charging Zones**

3.3.25. Several respondents stated that it is not clear how the proposed Charging Zones are derived from the viability assessment.

### **Comments**

3.3.26. The boundaries of the residential zones have been informed by research on house prices collected from various sources, as well as post code data on house prices sourced from the Land Registry. This has allowed a comparison of values achieved in neighbouring geographical areas. There is a noticeable change of values in areas around Bankside, London Bridge, Shad Thames, Riverside ward north of Jamaica Road and Rotherhithe village which are close to the River Thames and benefit from good public transport access. In addition the appraisals undertaken as part of this study have been plotted on a map to identify where developments can be considered to be most viable. This information has been used in conjunction with the Council and BNP Paribas Real Estate's understanding of viability within the borough and the use of natural boundaries (such as railway lines and roads), which broadly accord

with what are considered to be the different viability areas to establish what are considered to be reasonable CIL boundaries.

- 3.3.27. The commercial boundaries have been identified by reviewing where office developments can command higher rental values. Zone 1 is the area in which new office floorspace has primarily been concentrated over the last 10 years and this is where we propose the £70 CIL rate. The charge for hotels is varied between the north of the borough and the remainder of the borough. This reflects differences in the values that are commanded in the north of the borough, which directly influences viability and which in turn is borne out by the geographic concentration of hotel development in recent years.
- 3.3.28. The Council has sought to keep the variance of zones to a minimum. We have reduced the zones from 4 to 3.

### **Section 106 and CIL**

- 3.3.29. Several respondents highlighted concern over the potential impact of increased development costs upon securing affordable housing, as a result of the proposed CIL rates. Some stated that the level of affordable housing currently being secured by the council is below the policy requirement and CIL will worsen the situation.
- 3.3.30. Further justification is needed to show there is a sufficient buffer between the maximum CIL rate and the proposed CIL rate to ensure the rates are not set at the margins of viability.
- 3.3.31. Several respondents commented that the council has not provided evidence required by the CIL statutory guidance (2013) that considers proposed CIL rates against amounts of section 106 contributions raised in recent years through Section 106 Agreements and the extent to which affordable housing and other policy targets (e.g. housing supply) have been met, in line with the governments statutory guidance.
- 3.3.32. There should be clear guidance set out as to what will still be charged through Section 106 planning obligations for clarity and to ensure that there is no double or triple dipping. The publication of a draft Regulation 123 list was welcomed by many, which clearly sets out what infrastructure will be sought from CIL and not from section 106 obligations.

### **Comments**

- 3.3.33. For residential schemes, the application of CIL at the rates proposed is unlikely to be an overriding factor in determining whether or not a scheme is viable. When considered in context of total scheme costs, the proposed rates of CIL will account for a very modest proportion of costs (typically less than 5% of total development costs, i.e. no more than a developer's contingency). Some schemes would be unviable even if a zero CIL were adopted. We will investigate circumstances where including affordable housing provision - is justified based upon viability evidence. This is no different to the current approach in the adopted Core Strategy with regards to affordable housing provision
- 3.3.34. The viability study results indicate that it should be possible for the Council to levy rates of CIL across all areas of the borough, subject to allowing for a buffer below the maximum CIL level achievable to address risks to delivery. The updated CIL Viability Study sets out the buffer for each of the appraised sites. While there is no guidance on what this buffer should be, inspectors have suggested that CIL charges which are



20% or 30% less than the maximum that could be charged are acceptable and allow for sufficient flexibility and variation in circumstances.

- 3.3.35. With regard to the CIL guidance published in December 2012 and updated again in April 2013, we have set out in the updated CIL background evidence paper information on the amounts of section 106 financial contributions raised in recent years through section 106 agreements and the extent to which affordable housing and other targets have been met.
- 3.3.36. The Council is currently preparing an updated Section 106 Supplementary Planning Document on how it intends to use Section 106 and CIL in the future. The typical future application of section 106 planning obligations has been set out in this revised SPD which is being consulted on concurrently with the Draft CIL charging schedule. It will be out for consultation on the same timeline as the revised draft CIL Charging Schedule. The revision is required in light of the restrictions that will apply following adoption of CIL, and will provide further detail to our approach.
- 3.3.37. A key principle of CIL is that after CIL is adopted charging authorities should not be spending both CIL and s106 planning obligations on the same item of infrastructure. The new government guidance requires authorities to be clearer about those items which will not be funded by section 106 planning obligations and set these out in a list. This is called a Regulation 123 list (which refers to Regulation 123 of the CIL Regulations 2010). At the point that the Council adopts its CIL, it must publish the Regulation 123 List. If an infrastructure item is included on the list, the council would not be able to seek section 106 planning obligations for that item. The Regulation 123 List can be updated as circumstances change without any requirement to update the CIL Charging Schedule, but any changes must be subject to public consultation.

#### Instalments Policy, Exemptions and Exceptional Relief

- 3.3.38. The majority of respondents representing the development industry queried the Council's position on adopting an instalments policy, with most respondents claiming this to be a critical factor in terms of viability of development when CIL is imposed. Many have requested that the details of such a policy are made available prior to the examination of the Charging Schedule.
- 3.3.39. The application of an exceptional relief policy was considered to be appropriate by several respondents.

#### **Comments**

- 3.3.40. The Council is mindful of the advantages which a phased payment approach to CIL can give to the development industry. This may help to assist in improving the viability and deliverability of development, particularly for larger schemes. Initially we intend to use an instalments policy which reflects that adopted by the Mayor for his CIL. We will review this over time and may decide to consult on a borough specific instalment policy.
- 3.3.41. In proposing the CIL rates, we have had regard to the CIL Viability Study, which has examined the potential to set a CIL rate whilst still delivering site specific mitigation measures (under section 106 and section 278), meeting Development Plan requirements for affordable housing, and meeting Mayoral CIL and London Plan section 106 requirements for contributions towards the delivery of Crossrail. This evidence, together with the limitations for CIL relief set out in the CIL regulations, has led to the conclusion that it is not necessary to introduce an exceptional

circumstances relief policy at this time, however the impact of the introduction of CIL and the potential benefits or otherwise of introducing an Exceptional Circumstances Relief Policy should be kept under review.

- 3.3.42. We are mindful that the CIL charging schedule will need to be kept under review to ensure that that CIL rates remain appropriate over time. The updated CIL background evidence paper sets out the approach to reviewing the CIL rates.

### Infrastructure

- 3.3.43. With regard to the supporting Infrastructure Plan (IP) document, some respondents highlighted concerns such as an absence of an infrastructure "target" and there being no apparent link between the IP and the planned growth and a failure to take into account wider funding opportunities.
- 3.3.44. Other respondents suggested there needed to be further reference to specific items of infrastructure in the IP or the removal of some items, taking care that CIL is spent on genuine infrastructure projects that support growth, and are also not retrospectively funded.
- 3.3.45. Others commented on our draft Regulation 123 list and raised concern on the limitations on a number of specific infrastructure items, which would still allow for a site specific section 106 planning obligation to contribute towards for example, any transport improvements not explicitly listed; on site health provision; sports provision with the exception of six specific improvements etc. Comments from one respondent stated that up to two thirds of current section 106 contributions may not be covered by the Regulation 123 list. It would be helpful if the Council were to either revise the list of relevant infrastructure to further limit contributions, or alternatively to assume a higher site specific Section 106 requirement in the viability appraisals.

### **Comments**

- 3.3.46. In determining the size of our total or aggregate infrastructure funding gap, we have considered known and expected infrastructure costs and the other sources of possible funding available to meet those costs. This process has identified a CIL infrastructure funding target. This target has been informed by a selection of infrastructure projects or types (drawn from our infrastructure planning of the borough) which have been identified as candidates to be funded by the levy in whole or in part. The Government has recognised that there will be uncertainty in pinpointing other infrastructure funding sources, particularly beyond the short-term. The focus should be on providing evidence of an aggregate funding gap that demonstrates the need to levy the Community Infrastructure Levy. It is stated in the IP that when further certainty on funding sources is known the infrastructure funding gap will reduce. We have updated the IP since the last stage of consultation to include additional items, and review some of the indicative cost assumptions.
- 3.3.47. CIL Regulation 123 requires charging authorities to set out a list of projects or types of infrastructure that it intends to fund through CIL, and therefore many of the infrastructure costs for which cover had been sought through Section 106 planning obligations will be paid through CIL. Section 106 planning obligation requirements will be scaled back to those matters directly related to a specific site, and are not set out in the Regulation 123 list. Following more detailed work, we have increased the section 106 cost assumption in the viability appraisals, from £1,000 per unit up to £1,500 per unit, to reflect the average amount obtained across developments over the past three years.

## Mayor of London's Response

3.3.48. A meeting was held in May 2013 between officers of the Council, Transport for London and Mayor of London. Concerns were raised about the viability of the council's proposed rates and the evidence which justified them. They also queried how the CIL government guidance had been taken into account.

### **4.1. Why we monitor our consultation?**

4.1.1. Our statement of community involvement (SCI) indicates that the success of consultation can be measured by the numbers and diversity of consultees and respondees. This is particularly important for a borough such as Southwark which is very varied and includes a high proportion of groups that can traditionally be hard to reach. By monitoring the responses we receive through consultation at each stage, we can see whether there are any obvious gaps or areas that we need to focus on at the next stage of consultation.

4.1.2. The Community Infrastructure Levy will be a charge on developers, and we need to ensure in setting the CIL rates, we have aimed to strike an appropriate balance between the desirability of funding infrastructure from CIL and the potential effects of the imposition of CIL on the economic viability of development across the borough, in accordance with the CIL Regulations.

### **4.2. How we monitor our consultation**

4.2.1. After every stage of consultation we look at the different people and groups that have commented on the planning document and look back over the events and consultation activities we carried out to see whether we should have targeted more or different groups. We feed this into our planning for the next stage of consultation. We want to try and encourage people from all groups and areas to get involved in the responding to the consultation on our planning documents. This includes people across all nine protected characteristics groups including different ethnic, age and religious groups. It also includes involving people from different organisations to include local residents, local voluntary and community sector groups, local businesses and traders, landowners, statutory consultees such as the Environment Agency and developers.

4.2.2. We have made a strong effort to engage with landowners and developers, so that we can better understand the issues that are important to them. We hosted a morning seminar at the preliminary draft stage which included a series of short presentations and time allocated for discussion. The event allowed landowners, developers and other interested parties to hear about the role of the CIL in helping to fund infrastructure.

4.2.3. At the draft CIL Charging Schedule stage of consultation the majority of the feedback has been through written comments via email. We are confident that we have undertaken sufficient publicising and consultation of the Draft CIL Charging Schedule and have fulfilled the statutory consultation requirements as set out in the CIL Regulations 2010 (as amended).

## APPENDIX A: DRAFT CIL CHARGING SCHEDULE CONSULTATION PLAN

# CONSULTATION PLAN

Draft Charging Schedule

Community Infrastructure Levy

February 2013

| No.        | Title                                                                                   |
|------------|-----------------------------------------------------------------------------------------|
| Appendix A | Community infrastructure levy (CIL) draft charging schedule (available with the report) |
| Appendix B | Draft Regulation 123 list (available with the report)                                   |
| Appendix C | Infrastructure Plan (available on the website)                                          |
| Appendix D | Equalities Analysis (available on the website)                                          |
| Appendix E | Consultation Plan (available on the website)                                            |
| Appendix F | Consultation Report (available on the website)                                          |

## **1. INTRODUCTION**

- 1.1 The Community Infrastructure Levy (CIL) is a new levy that local authorities can choose to charge on new developments in their area. The money can be used to support development by funding strategic local infrastructure that the council, local community and neighbourhoods want. The benefits are increased certainty for the funding and delivery of infrastructure, increased certainty for developers and increased transparency for local people.
- 1.2 Under the Community Infrastructure Levy Regulations (CIL) (2010) (as amended 2011 and 2012), the amount of CIL to be paid needs to be explained in a formal document called a Charging Schedule. The Council has to carry out two rounds of public consultation on its proposed Charging Schedule – the Preliminary Draft Charging Schedule and the Draft Charging Schedule, prior to submission of the Draft Charging Schedule to the examiner.
- 1.3 This is the second stage of consultation on the Charging Schedule. We consulted on the first stage, the Preliminary Draft Charging Schedule, from 10 July 2012 until 17 October 2012 which was a total of 14 weeks. Charging authorities are encouraged to consult for at least six weeks on their Draft Charging Schedule in order to ensure that local communities and delivery partners have sufficient opportunity to make their views known.

## **2. HOW WE ARE CONSULTING ON THE DRAFT CIL CHARGING SCHEDULE**

- 2.1 This consultation plan sets out the consultation that will be carried out on the Draft CIL Charging Schedule. This is in accordance with our adopted Statement of Community Involvement (SCI) (2007), which explains how we will consult the community in the preparation of planning documents and the Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012). The following sections set out how we plan to meet the statutory consultation requirements.
- 2.2 Once we have finished consulting on the Draft Charging Schedule we will collate all the responses we receive and see whether we need to make any further modifications to the Draft Charging Schedule. Where any modifications are proposed, the CIL Regulations (19) and (21) (as amended) requires us to produce a 'Statement of Modifications' and allow a period of four weeks for consultees to submit a request to be heard by the examiner in relation to those modifications, beginning on the day which the Draft Charging Schedule is submitted to the Examiner. We will submit the draft CIL Charging Schedule to the CIL Examiner along with a consultation statement which will set out our officer comments on all the responses we received and our evidence base.

2.3 This consultation plan should be read alongside the following documents:

- Draft CIL Charging Schedule: To charge CIL the Council must produce and adopt a Charging Schedule setting out the levy rates.
- The CIL Viability Study (2012) (updated in January 2013): Explains the development viability evidence on which the CIL rates are based.
- The Infrastructure Plan (IP): Provides a list of the projects or types of infrastructure that are needed to support the growth which is planned over the Core Strategy plan period. The total indicative cost of these projects, where known, has then been compared with the funds that are known or are expected to be available from other sources including the Council's capital programme. The IP reveals a funding gap which CIL could make a significant contribution towards. The IP is required to demonstrate the need to levy CIL.
- The Regulation 123 List: CIL Regulation 123 requires local authorities to set out a list of projects or types of infrastructure that it intends to fund through CIL, and therefore many of the costs for which cover had been sought through S106 contributions will be paid through CIL. S106 requirements will be scaled back to those matters directly related to a specific site, and are not set out in the Regulation 123 list.
- The Equalities Analysis: Assesses the likely impact of the Draft CIL Charging Schedule on the nine protected characteristics groups (age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation). It looks at the impact of CIL in relation to equality, diversity and social cohesion.

2.3 All of these documents can be found on our website at:

[http://www.southwark.gov.uk/info/856/planning\\_policy/2696/community\\_infrastructure\\_levy](http://www.southwark.gov.uk/info/856/planning_policy/2696/community_infrastructure_levy)

2.4 They will also be available in all of our libraries and locations listed in appendix A.

### **3. THE TIMETABLE AND METHODS OF CONSULTATION**

#### ***Consultation timeframe***

3.1 We have already consulted for 14 weeks on the Preliminary Draft Charging Schedule. We will be consulting on the Draft CIL Charging Schedule for a total of six weeks which is advised by the CIL Statutory guidance (Dec 2012).

3.2 The document will be:

- Available to the public from w/c 4 February 2013
- Taken to Cabinet for agreement for public consultation on 12 February 2013

- Available for formal consultation from 20 February 2013 until 3 April 2013

### 3.2 All responses must be received by 5pm on 3 April 2013

#### **Consultation methods**

3.3 The tables below sets out the different consultation methods we will undertake. We have set out the statutory minimum required to meet the Community Infrastructure Levy Regulation (16) (2010) (as amended 2011 and 2012) and the further methods additional to the statutory requirements that we propose to carry out. As well as making the document available on the web and in local libraries, the council will write to around 3,000 consultees in the Planning Policy team's database and officers will be available to attend meetings as required. The document will be publicised at community council meetings.

**TABLE 1: STATUTORY CONSULTATION**

| <b>Method of Consultation – Draft CIL Charging Schedule</b>                                                                                                                                                                                                                        | <b>Consultee</b>                                               | <b>Date</b>          | <b>Comments</b>                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------------|------------------------------------------|
| Regulation 16 (a)<br>Make a copy of the Draft CIL Charging Schedule, the evidence and supporting documents and a 'statement of the representations procedure'* available for inspection at the council's principal office, all libraries, one-stop shops and area housing offices. | All (A list of these locations is shown in Appendix A)         | w/c 18 February 2013 |                                          |
| Regulation (16 (b)<br>Publish the Draft CIL Charging Schedule, the evidence and supporting documents, a 'statement of the representations procedure' and details of where the documents can be inspected, on the Southwark Council website.                                        | All                                                            | w/c 11 February 2013 | Our website will continually be updated. |
| Regulation 16 (c)<br>Letter sent to each of the consultee bodies setting out the 'statement of the representations procedure' and a copy of the Draft CIL Charging Schedule.                                                                                                       | All (A list of the consultation bodies is shown in Appendix B) | w/c 18 February 2013 |                                          |

| Method of Consultation – Draft CIL Charging Schedule                                                                                                                                  | Consultee | Date                 | Comments       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------|----------------|
| Regulation 16 (d)<br>Place a press notice in the local newspaper which sets out the 'statement of the representations procedure' and details of where the documents can be inspected. | All       | w/c 18 February 2013 | Southwark News |

**TABLE 2: NON-STATUTORY CONSULTATION**

| Method of Consultation                                                                                                                                   | Consultee                                                             | Date                             | Comments                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Letter sent to all non-statutory consultees setting out the 'statement of the representations procedure' details of where the documents can be inspected | All on planning policy consultation database (see list in Appendix B) | w/c 18 February 2013             |                                                                                                                                                                           |
| Attend Community Councils and provide an announcement or presentation                                                                                    | All who attend community councils                                     | January, February and March 2013 | The meeting agendas can be found at:<br><a href="http://modern.gov.southwarksites.com/ieDocHome.aspx?bcr=1">http://modern.gov.southwarksites.com/ieDocHome.aspx?bcr=1</a> |

\* CIL Regulation 16 (2)

**TABLE 3: CONSULTATION ON PROPOSED MODIFICATIONS**

**NB:** If we decide to propose further modifications to the Draft Charging Schedule following the consultation period undertaken in accordance with CIL Regulations (16) (see Table 1), any person may request to be heard by the CIL Examiner in relation to those modifications. We must undertake the following statutory consultation for a period of four weeks, beginning on the day which the Draft Charging Schedule is submitted to the CIL Examiner, to allow consultees to submit a request to be heard by the CIL Examiner.



| Method of Consultation                                                                                   | Consultee                                                      | Date | Comments |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------|----------|
| Regulation (19) (4) (a)<br>Letter sent to all consultees with a copy of the 'statement of modifications' | All (A list of the consultation bodies is shown in Appendix B) | tbc  |          |
| Regulation 19 (4) (b)<br>Publish the 'statement of modifications' on the Southwark Council website       | All                                                            | tbc  |          |

#### 4. HOW TO COMMENT ON THE DRAFT CIL CHARGING SCHEDULE

- 4.1 We welcome your comments on the Draft CIL Charging Schedule, the evidence base and the supporting documents. Please contact us if you would like to know more about CIL or to find out more about our consultation.
- 4.2 All comments must be received by **5pm on 3 April 2013**
- 4.3 Representations can be emailed or sent to:

Barbara-Ann Overwater  
 Planning Policy  
 Chief Executive's Department  
 FREEPOST SE1919/14  
 London SE1P 5LX

[planningpolicy@southwark.gov.uk](mailto:planningpolicy@southwark.gov.uk)

Tel: 0207 525 5471  
 Fax: 0207 084 0347

## Appendix B: List of locations where documents were made available to view (CIL Regulation 15 (5))

### LOCATIONS

#### **Libraries (Opening times listed individually below)**

- Blue Anchor Library - Market Place, Southwark Park Road, SE16 3UQ  
(Monday, Tuesday and Thursday 9am to 7pm, Friday 10am to 6pm, Saturday 9am to 5pm)
- Brandon Library - Maddock Way, Cooks Road, SE17 3NH  
(Monday and Tuesday 2pm – 7pm, Thursday 2pm to 7pm, Friday 10am-3pm, Saturday 10am to 5pm)
- Camberwell Library - 17-21 Camberwell Church Street, SE5 8TR  
(Monday, Tuesday and Thursday 9am to 8pm, Friday 10am to 6pm, Saturday 9am to 5pm)
- Canada Water Library – 21 Surrey Quays Road, SE16 7AR  
(Monday - Friday 9am to 8pm, Saturday 9am to 5pm, Sunday 12pm to 4pm)
- Dulwich Library - 368 Lordship Lane, SE22 8NB  
(Monday, Wednesday, Thursday and Friday 9am to 8pm, Tuesday 10am to 8pm, Saturday 9am to 5pm Sun 12pm to 4pm)
- East Street Library - 168-170 Old Kent Road, SE1 5TY  
(Monday and Tuesday 2pm to 7pm, Thursday 10am to 3pm, Friday 2pm-7pm, Saturday 10am to 5pm)
- Grove Vale Library - 25-27 Grove Vale, SE22 8EQ  
(Monday and Tuesday 2pm to 7pm, Thursday 2pm to 7pm, Friday 10am-3pm, Saturday 10am to 5pm)
- John Harvard Library - 211 Borough High Street, SE1 1JA  
(Monday, Tuesday, Wednesday and Thursday, Friday 9am to 7pm, Saturday 9am to 5pm)
- Kingswood Library - Seeley Drive, SE21 8QR  
(Monday and Thursday 10am to 2pm, Tuesday and Friday 2pm to 4pm, Sat 1pm to 5pm)
- Newington Library - 155-157 Walworth Road, SE17 1RS  
(Monday, Tuesday and Friday 9am to 8pm, Wednesday and Thursday 10am to 8pm, Saturday 9am to 5pm, Sunday 12pm to 4pm)
- Nunhead Library - Gordon Road, SE15 3RW  
(Monday to Thursday 2pm to 7pm, Friday 10am to 3pm, Saturday 10am to 5pm)
- Peckham Library - 122 Peckham Hill Street, SE15 5JR  
(Monday, Tuesday, Thursday and Friday 9am to 8pm, Wednesday 10am to 8pm, Saturday 10am to 5pm, Sunday 12pm to 4pm)

#### **Area Housing Offices**

- Nunhead and Peckham Rye - 27 Bournemouth Road, Peckham, SE15 4UJ
- Camberwell - Harris Street, London, SE5 7RX
- Rotherhithe - 153-159 Abbeyfield Road, Rotherhithe, SE16 2LS  
(All open 9am- 5pm Monday - Friday)

#### **One Stop Shops**

- Peckham - 122 Peckham Hill Street, London, SE15 5JR  
(Monday – Friday 9am to 5pm, Saturday 9am to 1pm)
- Walworth - 151 Walworth Road, London, SE17 1RY  
(Monday – Friday 9am to 5pm)

## Appendix C: List of consultees including consultation bodies (CIL Regulations 15 (2) (5))

\* Please note that this list is not exhaustive and also relates to successor bodies where re-organisations occur and also includes an extensive list of residents who are on our consultation database.

### Statutory

We must consult the following consultation bodies on our Preliminary Draft Charging Schedule in accordance with the Community Infrastructure Regulations (2010) Regulation 15:

- (3) (a) Each of the following whose area is in or adjoins the charging authority's area
  - i) A local planning authority within the meaning of section 37 of PCPA (2004 (a))
  - ii) A local planning authority within the meaning of section 78 of PCPA (2004)
  - iii) A county council
  - iv) A responsible regional authority
- (b) Each parish council whose area is in the charging authority's area
- (c) The Mayor if the charging authority is a London Borough council
- (d) Any other person exercising functions of a local planning authority (within the meaning of TCPA 1990) for an area within, or which adjoins, the charging authority's area.
- (5) (a) Persons who are resident or carrying out business in its area
- (b) Such of the following as the charging authority consider appropriate
  - (i) voluntary bodies some or all of whose activities benefit the charging authority's area and
  - (ii) bodies which represent the interests of persons carrying on business in the charging authority's area

*(these fall within our local consultee list set out below)*

In accordance with the Local Development Regulations 2012 and our Statement of Community Involvement (SCI) (2007) we also will consult with the following bodies and organisations

- (a) The Coal Authority
- (b) The Environment Agency
- (c) The Historic Buildings and Monuments Commission for England (known as English Heritage)
- (d) The Marine Management Organisation
- (e) Natural England
- (f) Network Rail Infrastructure Limited (company number 2904587),

- (g) The Highways Agency
- (h) A relevant authority any part of whose area is in or adjoins the local planning authority's Area (Bromley Council, Lewisham Council, Lambeth Council)
- (i) Any person—
  - (i) to whom the electronic communications code applies by virtue of a direction given under section 106(3)(a) of the Communications Act 2003, and
  - (ii) who owns or controls electronic communications apparatus situated in any part of the local planning authority's area (British Telecommunications)
- (j) If it exercises functions in any part of the local planning authority's area—
  - (i) a Primary Care Trust established under section 18 of the National Health Service Act 2006 or continued in existence by virtue of that section;
  - (ii) a person to whom a licence has been granted under section 6(1)(b) or (c) of the Electricity Act 1989
  - (iii) a person to whom a licence has been granted under section 7(2) of the Gas Act 1986
  - (iv) a sewerage undertaker; and
  - (v) a water undertaker; (Thames Water Property Services)
- (k) The Homes and Communities Agency; and
- (l) Where the local planning authority are a London borough council, the Mayor of London;

## **Non-Statutory Local consultees**

### **All Councillors**

- Liberal
- Labour
- Conservatives
- Independent

### **Voluntary organisations and community groups**

- |                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Aaina Women's Group</li> <li>• Abbeyfield Society</li> <li>• ABC Southwark Housing Co-op</li> <li>• Aborigine</li> <li>• ACAPS</li> <li>• Access London</li> <li>• Action Southwark</li> <li>• ADDACTION - Maya Project</li> </ul> | <ul style="list-style-type: none"> <li>• Adult Education</li> <li>• Advice UK London Region</li> <li>• AFFORD</li> <li>• Agenda for Community Development</li> <li>• Albert Academy Alumni Association</li> <li>• Albert Association</li> <li>• Albrighton Cricket Club</li> <li>• Alcohol Counselling &amp; Prevention Services - 1</li> </ul> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- Alcohol Counselling & Prevention Services - 2
- Alcohol Recovery Project
- Alcohol Recovery Project
- Alleyn Community Centre Association
- Alone in London
- Anada Fund
- Anchor Sheltered Housing
- Apex Charitable Trust Ltd
- Art in the Park
- ARTLAT
- Artsline
- Artstree / Oneworks
- Ashbourne Centre
- Association of Waterloo Groups
- ATD Fourth World
- Aubyn Graham (The John Graham Group)
- Aylesbury Academic Grassroots
- Aylesbury Day Centre
- Aylesbury Everywomen's Group
- Aylesbury Food and Health Project
- Aylesbury Healthy Living Network
- Aylesbury Learning Centre
- Aylesbury NDC
- Aylesbury Nutrition Project
- Aylesbury Plus SRB
- Aylesbury Plus Young Parent Project
- Aylesbury Sure Start
- BAKOC
- Beacon Project
- Bede Café Training
- Bede House Association and Education Centre
- Bede House Community Development Women's Project
- Bells Garden Community Centre
- Beormund Community Centre
- Bermondsey and Rotherhithe Development Partnership
- Bermondsey Artists Group
- Bermondsey Citizens Advice Bureau
- Bermondsey St Area Partnership
- Bermondsey St Community Association
- Bermondsey Street Area Partnership
- Bermondsey Street Association
- Bermondsey Village Action Group
- Blackfriars Advice Centre
- Blackfriars Settlement (Community Care Team)
- Blackfriars Work Centre
- Blue Beat Community Centre
- Blue Beat Police Centre
- Blue Elephant Theatre Company
- Book-Aid International
- Borough Community Centre
- Borough Music School
- Borough Partnership Team, Southwark Police Station
- Bosco Centre
- Bradfield Club in Peckham
- Breast Cancer Campaign
- Breedinghurst (day and residential)
- British Film Institute
- Brook Advisory Centre
- Bubble Youth Theatre & Adult Drama
- Burgess Park (Colts) Cricket Club
- Camberwell Advocacy Office
- Camberwell Arts Week
- Camberwell Community Forum
- Camberwell Credit Union
- Camberwell Green Magistrates Court
- Camberwell Grove
- Camberwell ME Support Group
- Camberwell Police Station 212a

- Camberwell Rehabilitation Association
- Camberwell Society
- Camberwell Supported Flats
- Camberwell Working Party
- Cambridge House & Talbot
- Cambridge House Advocacy Team
- Cambridge House Legal Centre
- Canada Water Campaign
- Canada Water Consultation Forum
- Carers Support Group
- Cares of Life
- Carnival Del Pueblo
- Castle Day Centre
- CDS Co-operatives
- Centre Point (40)
- Chair - Dulwich Sector Working Group
- Charterhouse - in- Southwark
- Cheshire House(Dulwich)
- Cheshire House(Southwark)
- Childcare First
- Childcare Support
- Childminding Project
- Children's Rights Society
- Choice Support Southwark
- Choices
- Chrysalis
- Citizen Advice Bureau - Peckham
- Clublands
- Coin Street Community Builders
- Coin Street Festival and Thames Festival
- Colby Road Daycare Project
- Colombo Street Sports and Community Centre
- Committee Against Drug Abuse
- Communicate User Group

- Community Alcohol Service
- Community Care Choices
- Community Drug Project
- Community Metamorphosis
- Community Music Ltd
- Community of DIDA in the UK
- Community Radio Station
- Community Regeneration
- Community Support Group
- Community TV Trust
- Confederation of Passenger Transport UK
- Connect
- Consumers Against Nuclear Energy
- Contact A Family In Southwark
- Cooltan Arts
- Corazon Latino
- Cornerstone Community Project
- Council of Igbo Communities
- CRISP / LSE / Balance for Life
- Crooke Green Centre Association
- Crossways Centre
- Crossways Housing
- CWS Southeast Co-op
- Delfina Studios Trust
- Detainee Support & Help Unit
- Diamond Project
- Divine Outreach Community Care Group
- Dockland Settlement
- Dominica Progressive Charitable Association
- Drugs Apogee
- Drum
- Dulwich Credit Union
- Dulwich Festival
- Dulwich Hamlet Supporters Trust

- Dulwich Helpline
- Dulwich Orchestra
- Dulwich Society
- East Dulwich Society
- East Dulwich Women's Action
- ECRRG
- Education 2000 Project
- Education Action Zone
- Education Links
- Education Support Centre
- Elephant Amenity Network
- Elephant Enterprises
- Elephants Links Project Team
- Elibariki Centre
- Employing People Responsibly
- Empowerment Projects Trust
- Encore Club
- Environmental Computer Communications
- Equinox
- ESOL Project
- Evelina Children's Hospital Appeal
- Evelyn Coyle Day Centre
- EYE (Ethio Youth England)
- Faces in Focus (TIN)
- Fair Community Housing Services
- Fairbridge in London
- Fairbridge South London
- Families Experiencing Drug Abuse
- Fast Forward
- First Place Children and Parents Centre
- First Tuesday Club
- Five Bridges Centre
- Five Steps Community Centre
- Flex-Ability
- Fortress Charitable Trust
- Foundation for Human Development/ Free Press Europe
- Friends of East Dulwich Station
- Friends of Fast Forward
- Funding Advice Consultancy & Training Service
- Garden House Project
- Gateway Project
- Gateway Training Centre
- GEMCE
- Globe Education Centre
- Gloucester Grove Community Association
- Goose Green Centre
- Goose Green Lunch Club
- Grange Rd Carers Support Group
- Greenhouse Trust
- Gye Nyame for Performing Arts
- Habitat for Humanity Southwark
- Herne Hill Society
- Holmhurst Day Centre (Social Services)
- HOURBank
- Ideas 2 Vision
- ILETO
- In Tolo Theatre
- Independent Adoption Service
- Independent Advocacy Service
- Inner City Link
- Inspire
- Integratus
- International Family Welfare Agency
- International Shakespeare Globe Centre Ltd
- Isigi Dance Theatre Company
- JAA
- Jennifer Cairney Fundraiser
- John Paul Association

- Joshua Foundation Superkid
- Jubilee Renewal Projects
- Jump
- Juniper House Co-op
- Kairos Community Trust
- Kaizen Initiative
- Keyworth
- Kick Start
- Kite
- Lady of Southwark
- Lambeth Crime Prevention Trust
- Lambeth MIND
- Laura Orsini (New Group)
- Level Ltd
- Lewisham & Southwark Jobshare Project
- Liberty Club
- Life Builders
- Lighthours Informal Learning & Support Project
- Lighthouse Developments Ltd.
- Linden Grove Community Centre
- Links Community Hall
- Living in Harmony
- Local Accountancy Project (LAP)
- London Roses Community Services
- London South Bank University (LSBU)
- London Thames Gateway Forum
- London Voluntary Service Council
- Lorels Broadcasting Service
- Lorrimore Drop - In
- M. Hipro Words
- Magdalen Tenants Hall
- Manna Group
- Manna Society and Day Centre
- Marsha Phoenix Memorial Trust
- Mecower
- Media Action
- Meeting Point
- Members of Elephant Links
- Milewalk Project
- Millennium Reachout
- Mine Watch
- Morena
- Moses Basket Charity Care Organisation
- Multiskills Training & Recruitment
- MultisoSoc
- Myasthenia Gravis Association
- NAS International Charity
- New Generation Drug Agency
- New Peckham Varieties @ Magic Eye Theatre
- New Unity Centre Association (NUCA)
- Next Step Project
- North Lambeth Day Centre (BEDS)
- North Peckham Project
- North Southwark Community Care Support Project
- North Southwark Community Development Group
- North Southwark EAZ
- North-West Quadrant Community Development Network
- Nouvel Act
- Nunhead Action Group
- Nunhead Community Forum
- Nunhead's Voice
- Oasis Mentoring
- Oasis Trust
- OFFERS
- Old Kent Road Community Training Centre
- Omolara Sanyaolu Open Arms Foundation
- Only Connect
- Opendoor



- Opendoor Community Support Team
- OTDOGS
- Outset
- Outset Jobsearch Project
- Oval House Workshop
- Oxford and Bermondsey Club Forum
- Pachamama
- Panda London
- Papa Mandela London Project
- Parent Talk
- Parents Association
- Patchwork HA
- Pathways Trust
- Peckham Area
- Peckham Befrienders
- Peckham CAB
- Peckham Day Centre
- Peckham Open Learning Centre
- Peckham Pop-In
- Peckham Society
- People Care Association
- People to People
- Peoples Association in Southwark
- Phoenix House
- Pierres Vivantes Charity
- Pitt Street Association
- Plunge Club
- Pneumonia Community Link
- Pool of London Partnership
- Positive Education Learning Centre
- Premier Self Defence
- Prisoners Families & Friends Service
- Psychosynthesis and Education Trust
- Publication

- Pumphouse Educational Museum
- Queens Road Parents & Carers Support Group
- Queensborough Community Centre
- Radiant Idea
- RAP Academy
- Realise IT Network
- Redriff Community Association
- Right Lines
- Rimin Welfare Charity Association
- Rise and Shine
- Rockingham Community Association
- Rockingham Community Centre
- Rockingham Management Committee
- Rockingham Women's Project
- Rolston Roy Art Foundation
- Rotela Tech Ltd
- RPS Rainer Housing
- RSPCA
- Ruban Educational Trust
- S.E. Lions Football Club
- Saffron Blue Promotions
- Sarcoidosis & Interstitial Lung Association
- SASS Theatre Company
- SAVO
- SCA Renew
- Scoglio Arts @ Community Centre
- SCOPE
- SCREEN
- SE5 Alive
- SELAH Social Action Network
- Selcops
- SETAA, Aylesbury Learning Centre
- Seven Islands Leisure Centre
- Seven Islands Swimming Club

- SGI-UK
- Shaka
- Shakespeare's Globe
- Shep-Su Ancestral Design
- Sicklenemia
- Silwood Family Centre
- Sirewa Project
- SITRA
- SKILL
- South Bank Employers' Group
- South Bermondsey Partnership
- Southside Rehabilitation Association
- Southwark Adult Education
- Southwark Alarm Scheme
- Southwark Alliance Partnership Team
- Southwark Arts Forum
- Southwark CABX (Citizens Advice Bureaux) Service
- Southwark Carers
- Southwark Cares Incorporated
- Southwark Caring Housing Trust
- Southwark Community Care Forum
- Southwark Community Development Agency
- Southwark Community Drugs Project
- Southwark Community Team
- Southwark Community Youth Centre & Arts Club
- Southwark Congolese Centre
- Southwark Consortium
- Southwark Co-op Party
- Southwark Co-operative Development Agency
- Southwark Council Benefits Campaign
- Southwark Dial-a-Ride
- Southwark Domestic Violence Forum
- Southwark Education & Training Advice for Adults (SETAA)
- Southwark Education and Cultural Development
- Southwark Education Business Alliance
- Southwark Habitat for Humanity
- Southwark Heritage Association
- Southwark Law Centre
- Southwark Libraries
- Southwark LSP/Alliance
- Southwark Mediation Centre
- Southwark Mind
- Southwark Model Railway Club
- Southwark Mysteries Drama Project
- Southwark Park Day Centre
- Southwark Park Group
- Southwark Playhouse
- Southwark Police & Community Consultative Group
- Southwark Social Services
- Southwark Trade Union Council
- Southwark Trade Union Support Unit
- Southwark Unity
- Southwark User Group
- Southwark Victim Support
- Southwark Women's Support Group
- SPAM
- Speaking Up
- Sports Action Zone
- Sports Out Music In
- Spreading Vine
- Springboard Southwark Trust
- Springboard UK
- Springfield Lodge
- St Clements Monday Club
- St Georges Circus Group
- St Jude's Community Centre
- St Matthew's Community Centre
- St. Martins Property Investment Ltd.

- Starlight Music Project
- STC Working Party
- Stepping Stones
- Surrey Docks Carers Group
- Sustainable Energy Group
- Swanmead
- Tabard Community Committee
- Tai Chi UK
- TGWU Retired
- Thames Reach
- The Black-Eyed Peas Project
- The British Motorcyclists Federation
- The Livesey Museum
- The Prince's Trust
- The Shaftesbury Society
- The Southwark Mysteries
- Three R's Social Club
- Thresholds
- Tideway Sailability
- Tokei Martial Arts Centre
- Tomorrow's Peoples Trust
- Tower Bridge Magistrates Court
- Trees for cities
- Trios Childcare Services
- Turning Point
- Unite
- United Colour & Naylor House Crew
- Urban Research Lab
- URBED
- Vauxhall St Peters Heritage Centre
- Victim Support Southwark
- Voice of Art
- Voluntary Sector Support Services

- Volunteer Centre Southwark
- Volunteers in Action
- Volunteers in Action Southwark
- Wakefield Trust
- Walworth Society
- Walworth Triangle Forum
- Waterloo Breakaway
- Waterloo Community Counselling Project
- Waterloo Community Regeneration Trust
- Waterloo Sports and Football Club
- Waterloo Time Bank
- Way Forward
- WCDG
- Welcare Mothers Group
- West Bermondsey '98
- West Bermondsey Community Forum
- Wickway Community Association
- Wild Angels
- Willowbrook Centre
- Windsor Walk Housing
- Woman of Peace Counselling Group
- Women Development Programme
- Women in Harmony
- Women's Ivory Tower Association
- Women's Self-Development Project
- Women's Worker
- Woodcraft Folk
- Workers Educational Ass.
- Working with Men
- XL Project
- Young Carers Project
- Young Women's Group AAINA

## Neighbourhood Forums

- Bankside Residents Forum
- Bermondsey Neighbourhood Forum

## Major landowners and development partners in the borough

### Businesses

- 7 Star Dry Cleaners
- A & J Cars
- A J Pain
- A R London Builders
- ABA (International) Ltd
- Abbey Rose Co Ltd
- Abbey Self Storage
- Abbeyfield Rotherhithe Society Ltd
- ABS Consulting
- Academy Costumes Ltd
- Accountancy Business Centre
- Ace
- Ace Food
- Addendum Ltd
- Albany Garage
- Alex Kennedy
- Alfa Office Supplies
- Alpha Employment Services
- Alpha Estates
- Alpha Logistics & Securities Ltd
- AM Arts
- AMF Bowling Lewisham
- Anchor at Bankside
- Andrews & Robertson
- Angie's Hair Centre
- Anthony Gold, Lerman & Muirhead
- Archer Cleaners
- Architype Ltd
- Archival Record Management plc
- Argent Environmental Services
- Argos Distributors Ltd
- Arts Express
- ARUP - Engineering Consultants
- ATAC Computing
- Auditel
- Austins
- Australia and New Zealand Banking Group Ltd
- Azhar Architecture
- Bankside Business Partnership
- Bankside Theatre
- Bankside Traders Association
- Barclays Bank PLC
- Barratt East London
- Barrie Howard Shoes
- Barton Willmore
- Baxhor Travel Ltd
- BBI
- BBW Solicitors
- Beaumont Beds Ltd
- Bedford Hill Gallery & Workshops Ltd

- Bells Builders Merchants (Dulwich) Ltd
- Bells Play Group
- Bellway Homes
- Bermondsey Goode Foods
- Bert's Fish Bar
- Better Bankside
- Big Box Productions Ltd
- Big Metal
- Bims African Foods
- Black Business Initiative
- Blackfriars Wine Bar/Warehouse
- Blakes Menswear
- Bloy's Business Caterers
- Boots the Chemist
- Boyson Car Service
- Bramah Museum
- Brian O'Connor & Co
- Britain at War Experience
- Brixton Online Ltd
- Brockwell Art Services
- Brook Advisory Centre
- Brook Street Bureau
- Brunel Engine House Exhibition
- BTA
- BTCV Enterprises Ltd
- Bubbles
- Burnet, Ware & Graves
- Bursand Enterprises
- Business Extra
- Bywater Properties
- C Demiris Laboratory Services Ltd
- C Hartnell
- C S M L (Computer Systems & Network Solutions)
- Caitlin Wilkinson MLIA (Dip)

- Calafield Ltd
- Camberwell Arts
- Camberwell Traders Association
- Cap UK, Confederation of African People
- Capital Careers
- Capital Carers
- Cascade Too Florist
- CB Richard Ellis Ltd
- CD Plumbers
- CGMS Consulting
- Charterhouse in Southwark
- Childsplay
- Choice Support
- Chris Thomas Ltd
- Cicely Northcote Trust
- Citiside Plc
- City Central Parking
- City Cruises PLC
- CityLink
- Claybrook Group Ltd
- Clean Up Services
- Cleaning Services (South London) Ltd
- Clearaprint
- Club Copying Co Ltd
- Cluttons
- Colliers CRE
- Colorama Processing Laboratories Limited
- Colworth House Ltd
- Community Radio Broadcasting
- Consultants at Work
- Consumers Food and Wine
- Continental
- Continental Café
- Copy Copy

- Copyprints Ltd
- Cosmic Training & Information Services
- CTS Ltd (Communication & Technical Services Ltd)
- Cuke Bar
- Cyclists Touring Club
- Cynth-Sinclair Music Venue
- Cyril Silver & Partners LLP Surveyors
- D E Cleaning Service
- David Trevor- Jones Associates
- Davis Harvey & Murrell Ltd
- Davy's of London (WM) Ltd
- Delta Security UK Limited
- Development Planning Partnership
- Dickens Developments
- District Maintenance Ltd
- Doble, Monk, Butler
- Dolland and Aitchison
- Dolphin Bay Fish Restaurant
- Donaldsons
- Donaldson's Planning
- Douglas Jackson Group
- DPDS Consulting Group
- Dr J Hodges
- Dransfield Owens De Silva
- Driscoll House Hotel
- Drivers Jonas
- Drivers Jonas
- Dulwich Books
- Dulwich Chiropody Surgery
- Dulwich Hamlet Football Club
- Dulwich Sports Club
- Dulwich Village Traders Association
- Duncan Vaughan Arbuckle
- Duraty Radio Ltd

- Dynes Self-Drive Cars
- Eagle Speed Car Services
- East Street Traders
- Easyprint 2000 Ltd
- ECRRG
- Edita Estates
- Edwardes of Camberwell Ltd
- Elephant Car Service
- Eminence Promotions
- Emma & Co Chartered Accountants
- EMP plc
- Employment Service
- English Partnerships (London and Thames Gateway)
- Equinox Consulting
- Etc Venues Limited
- Euroclean Services
- Euro-Dollar Rent-a-Car
- Express Newspapers/United Media Group Services Ltd
- Ezekiel Nigh Club
- F & F General Merchants
- F A Albin & Sons Ltd
- F W Woolworth plc
- Feltbrook Ltd
- Field & Sons
- Fillocraft Ltd
- Finishing Touches
- Firstplan
- Flint Hire & Supply Limited
- Florence Off-Licence & Grocery
- Focus Plant Ltd
- Foster-Berry Associates
- Franklin & Andrews
- Friends Corner
- Fruiters & Florist

- G Baldwin & Co
- G M Imber Ltd
- G Worrall & Son Ltd
- GAAD Support Services
- General Commercial Enterprises
- George Yates Estate Office Ltd
- GHL Commercials
- Gisella Boutique & Design Workshop
- Glaziers Hall Ltd
- Glenn Howells Architects
- Godwin Nede & Co
- Golden Fish Bar
- Gowers Elmes Publishing
- Grace & Mercy Fashion
- Graphic House
- Gregory Signs
- Gretton Ward Electrical Ltd
- Guy's & St Thomas' NHS Foundation Trust
- Haime & Butler
- Hair and Beauty
- Hair Extension Specialist
- Hairports International
- Hall & Dougan Management
- Harvey's Catering & Equipment Hire Ltd
- Hayward Brothers (Wines) Ltd
- HCS Building Contractors
- Heartbeat International
- Hepburns
- Herne Hill Traders Association
- Hollywood Nails
- Home Builders Federation
- Hopfields Auto Repairs
- Hopkins, Williams, Shaw
- HSBC PLC (Southwark Area)

- Hygrade Enterprises
- Hygrade Foods Ltd
- Iceland Frozen Foods Plc
- Icen Projects Ltd
- Imperial War Museum
- Implement Construction Ltd
- Indigo Planning
- IPC Magazines Ltd
- Isaac & Co
- Isambard Environmental
- J K Computers Ltd
- J R Davies Associates
- J Sainsbury plc
- Jade Catering Services
- Jani-King (GB) Ltd
- Jay Opticians
- Jet Reprint
- JETS
- JK Computers
- Jones Yarrell & Co Ltd
- Juliets
- Kalmars
- Kalpna Newsagent
- Kamera Obscura
- Kellaway's Funeral Service
- Ken Creasey Ltd
- Key Property Investments Ltd
- King Sturge
- Knight Office Supplies Ltd
- Kumasi Market
- L Tagg Sewing Machines
- Lainco, Lainco
- Lambert Smith Hampton
- Lambrucus Ltd

- Land Securities
- Lane Heywood Davies
- Lanes Butchers Ltd
- Leslie J Sequeira & Co
- Lex Volvo Southwark
- Life Designs
- Light Projects Ltd
- Lloyds Bank plc
- Local Recruitment Brokerage Ltd
- Londis & Jamaica Road Post Office
- London & City Central
- London Bridge Dental Practice
- London Bridge Hospital
- London Builders Merchants
- London Dungeon
- London Self-Storage Centre
- London Tile Warehouse
- London West Training Services
- London's Larder Partnership
- London South Bank University (LSBU)
- Look Good Design
- Lord Nelson
- Louise Moffatt Communications
- Lovefinders
- Lucy's Hairdressing Salon
- LWTS Ltd
- M & D Joinery Ltd
- M Armour (Contracts) Ltd
- M H Associates
- M H Technical Services
- M V Biro / Bookbiz
- Mackintosh Duncan
- Magreb Arab Press
- Malcolm Judd & Partners

- MARI
- Marks and Spencer Plc
- Marris & Cross and Wilfred Fairbairns Ltd
- Matthew Hall Ltd
- Mayflower 1620 Ltd
- McCarthy & Stone
- MCQ Entertainments Ltd
- Metrovideo Ltd
- Michael Dillon Architect & Urban Designer
- Minerva PLC
- Ministry of Sound
- Miss Brenda Hughes DMS FHCIMA FBIM Cert. Ed.
- MK1 Ladies Fashion
- Mobile Phone World Ltd
- Mono Consultants Limited
- Montagu Evans
- Motability Operations
- movingspace.com
- Mulcraft Graphics Ltd
- Myrrh Education and Training
- Nabarro Nathanson
- Nandos
- Nathaniel Lichfield & Partners Ltd
- National Provincial Glass Co Ltd
- National Westminster Bank plc
- Neil Choudhury Architects
- Network Rail
- Nevins Meat Market
- New Dome Hotel
- New Future Now
- New Pollard UK
- New Start Up
- Ngomatiya Gospel Record Production
- Nicholas D Stone



- Nichols Employment Agency
- Norman W Hardy Ltd
- Nutec Productions
- & S Builders
- OCR (Quality Meats) Ltd
- Office Angels
- Oliver Ashley Shoes
- Olley's Traditional Fish & Chips
- On Your Bike Ltd
- Over-Sixties Employment Bureau
- P J Accommodation
- Panache Exclusive Footwear
- Patel, K & S (Amin News)
- Paul Dickinson & Associates
- Peabody Pension Trust Ltd
- Peabody Trust
- Peacock & Smith
- PEARL
- Peppermint
- Peterman & Co
- Phil Polglaze
- Philcox Gray & Co
- Pillars of Excellence
- Pizza Hut
- Planning & Environmental Services Ltd
- Planning Potential
- Pocock Brothers Ltd
- Port of London Authority
- Potter & Holmes Architects
- Precision Creative Services
- Premier Cinema
- PricewaterhouseCoopers
- Primavera
- Prodigy Ads

- Prontaprint
- Purser Volkswagen
- Q2 Design
- Quarterman Windscreens Ltd
- Quicksilver
- R B Parekh & Co
- R J Parekh & Co
- R Woodfall, Opticians
- Rajah Tandori and Curry
- Ranmac Employment Agency
- Ranmac Security Ltd
- Rapleys LLP
- Red Kite Learning
- Redder Splash
- Reed Employment
- Richard Harrison Architecture, Trafalgar Studios
- Richard Hartley Partnership
- Rive Estate Agents
- Rizzy Brown
- RK Burt & Co Ltd
- Robert O Clotley & Co
- Rodgers & Johns
- Rodney Radio
- Rodney Road Traders Association
- Roger Tym & Partners
- Roosters Chicken and Ribs
- Rose Bros
- Roxlee the City Cobbler
- Roy & Partners
- Roy Brooks Ltd
- Royal Mail Group
- RPS Planning Transport and Environment
- Rusling, Billing, Jones
- S & S Dry Cleaners

- S C Hall & Son
- S T & T Publishing Ltd
- Sainsbury's plc
- Salon 3A Unisex Hairdressing
- Samuel Brown
- Savages Newsagents
- Savills Commercial Limited
- Savills Planning
- SCEMSC
- Scenic Art
- SEA / RENUÉ
- Sea Containers Services Ltd
- SecondSite Property Holdings
- Service Point
- Sesame Institute UK
- SETAA
- Shalom Catering Services
- Shopping Centres Ltd (Surrey Quays)
- Simpson Millar (incorporating Goslings)
- Sinclair Robertson & Co Ltd
- Sitec
- Skalps
- Smile Employment Agency
- Softmetal Web Designer
- South Bank Employers Group
- South Bank Technopark
- South Central Business Advisory Centre
- South East Cars
- South Eastern Trains
- South London Press Ltd
- Southern Railway
- Southwark & Kings Employees Credit Union Ltd.
- Southwark Association of Street Traders
- Southwark Chamber of Commerce

- Southwark Credit Union
- Southwark News
- Spaces Personal Storage
- Spacia Ltd
- St. Michael Associates
- Stage Services (London) Ltd
- Start Consulting
- Stephen Michael Associates
- Steve Cleary Associates
- Stitches Marquee Hire
- Stream Records
- Stroke Care
- Studio 45
- Studio 6
- Sumner Type
- Superdrug Stores Plc
- Supertec Design Ltd
- TA Property Consultants
- Tangram Architects & Designers
- Tate Modern
- Taxaccount Ltd
- Team London Bridge
- Terence O'Rourke
- Tesco Stores Ltd
- Tetlow King Planning
- The Bakers Oven
- The Chapter Group PLC
- The Clink & Bankside Co Ltd
- The Clink Prison
- The Design Museum
- The Dulwich Estates
- The Edge Couriers
- The Financial Times
- The Hive

- The Mudlark
- The New Dome Hotel
- The Old Operating Theatre
- The Peckham Experiment
- The Stage Door
- The Surgery
- Thermofrost Cryo plc
- Thomas & Co Solicitors
- Thrifty Car Rental/Best Self Drive Ltd
- Timchart Ltd
- Tito's
- TM Marchant Ltd
- Tola Homes
- Tom Blau Gallery
- Toucan Employment
- Tower Bridge Travel Inn Capital
- Trade Winds Colour Printers Ltd
- Trigram Partnership
- Turning Point - Milestone
- Two Towers Housing Co-Op
- United Cinemas International (UCI)
- United Friendly Insurance PLC
- Unity Estates

#### **Environmental**

- Bankside Open Spaces Trust
- Dawson's Hill Trust
- Dog Kennel Hill Adventure
- Dulwich Allotment Association
- Dulwich Society Wildlife Committee
- Friends of Belair Park
- Friends of Burgess Park
- Friends of Geraldine Mary Harmsworth Park
- Friends of Guy Street Park

- Venters Reynolds
- Victory Stores
- Vijaya Palal
- Vinopolis
- W Uden & Sons Ltd
- Wallace Windscreens Ltd
- Walsh (Glazing Contractors) Ltd
- Walter Menteth Architects
- Wardle McLean Strategic Research Consultancy Ltd
- Watson Associates
- West & Partners
- Wetton Cleaning Services Ltd
- WGI Interiors Ltd
- White Dove Press
- Whitehall Clothiers (Camb) Ltd
- Wilkins Kennedy
- William Bailey, Solicitors
- Wing Tai Super Market
- Workspace Group
- Workspace Ltd (C/o RPS PLC)
- Xysystems Ltd
- Yates Estate
- Yinka Bodyline Ltd

- Friends of Honor Oak Recreation Ground
- Friends of Nunhead Cemetery
- Friends of Nursery Row Park
- Friends of Peckham Rye
- Friends of Potters Field Park
- Friends of Southwark Park
- Groundwork Southwark
- Lamlash Allotment Association
- Lettsom Garden Association

- London Wildlife Trust
- National Playing Fields Association
- Nature Park
- North Southwark Environmental Network
- One Tree Hill Allotment Society
- Rotherhithe & Bermondsey Allotment Society

### **Black and Minority Ethnic groups**

- Afiya Trust
- African Research & Information Bureau (ARIB)
- African Child Association
- African Children and Families Support
- African Community Development Foundation
- African Community Link Project
- African Elders Concern
- African Foundation For Development
- African Graduate Centre
- African Heritage Association
- African Inform
- African Root Men's Project (ARMPRO)
- African Regeneration Association
- African Research
- African's People's Association
- African Women's Support Group
- Afro-Asian Advisory Service
- Afro-Caribbean Autistic Foundations
- Ahwazi Community Association
- AKWAABA Women's Group
- Alliance for African Assistance
- Amannagwu Community Association UK
- Anerley French & Swahili Club
- Anti-Racist Alliance
- Anti-Racist Integration Project
- Arab Cultural Community

- Southwark Biodiversity Partnership
- Southwark Friends of the Earth
- Surrey Docks City Farm
- Victory Community Park Committee
- Walworth Garden Farm

- Arab Cultural Community
- Asian Society
- Asra Housing Association
- Association of Minority
- Association of Sri Lankans in UK
- Association of Turkish Women
- Aylesbury Turkish Women's Group
- Aylesbury Turkish Women's Project
- Bangladeshi Women's Group
- Bengali Community Association
- Bengali Community Development Project
- Bengali Women's Group
- Bhagini Samaj Women's Group
- Birlik Cemiyet Centre
- Black Awareness Group
- Black Cultural Education
- Black Elderly Group Southwark
- Black Elders Mental Health Project
- Black Organisation for Learning Difficulties
- Black Parents Network
- Black Training Enterprise Group
- Cara Irish Housing Association
- Caribbean Ecology Forum
- Caribbean Women's Network
- Carr-Gomm Society Limited
- Centre for Inter-African Relations

- Centre for Multicultural Development and Integration
- Charter for Non-Racist Benefits
- Chinese/Vietnamese Group
- Confederation of Indian Organisations (U.K.)
- Daryeel Somali Health Project
- Educational Alliance Africa
- Eritrean Community Centre
- Eritrean Education and Publication Trust
- Ethiopian Refugee Education & Careers Centre
- Ethno News
- French Speaking African General Council
- Ghana Refugee Welfare Group
- GHARWEG Advice, Training & Careers Centre
- Great Lakes African Women's Network
- Greek Community of South London
- Gulu Laity Archdiocesan Association
- Here & There - Somali Training Development Project
- Igbo Tutorial School
- Integration Project for the Francophone African Community
- International Ass of African Women
- International Association for Sierra Leoneans Abroad
- Irish Families Project
- Irish in Britain Representation Group
- Istrinsabbha-Sikh Women's Group
- Ivorian Social Aid Society
- Mauritius Association
- Mauritius Association of Women in Southwark
- Mercyline Africa Trust (UK)
- Mitali Asian Women's Project
- Multi- Lingual Community Rights Shop
- RCA/ Southwark Irish Pensioners Project
- Rockingham Somali Support
- Rondalya Phillipino-UK
- Sidama Community in Europe
- Sierra Leone Community Forum
- Sierra Leone Muslim Women Cultural Organisation
- Society of Caribbean Culture
- Somali Community
- Somali Community Association in Southwark
- Somali Counselling Project
- Somali Group
- Somali Health and Education Project
- Somali Mother Tongue & Supplementary Class
- Somali Project
- Somali Women & Children's Project
- South East Asian Elderly
- South London Arab Community Group
- Southwark African Support Services
- Southwark Asian Association
- Southwark Bhagini Samaj
- Southwark Chinese Women's Group
- Southwark Cypriot & Turkish Cultural Society
- Southwark Cypriot Day Centre & Elders Group
- Southwark Cypriot Turkish Association
- Southwark Ethnic Alliance
- Southwark Ethnicare Project
- Southwark Irish Festival
- Southwark Irish Forum
- Southwark Multicultural Link in Education
- Southwark Race and Equalities Forum
- Southwark Somali Advisory Forum c/o CIDU
- Southwark Somali Refugee Council
- Southwark Somali Union
- Southwark Travellers Action Group
- Southwark Turkish & Cypriot Group
- Southwark Turkish Association and Community Centre
- Southwark Turkish Education Group
- Southwark Turkish Perkunlunler Cultural Ass.

- Southwark United Irish Community Group
- Southwark Vietnamese Chinese Community
- Southwark Vietnamese Refugee Association
- Strategic Ethnic Alliance
- Sudanese Welfare Association
- Suubi-Lule African Youth Association
- The Burrow & Carragher Irish Dance Group
- Uganda Refugee Art & Education Development Workshop
- UK Ivorian Space

- Union of Ivorian Women
- Urhobo Ladies Association Ltd
- Vietnamese Women's Group
- Vishvas
- Walworth Bangladeshi Community Association
- West African Community Action on Health & Welfare
- West Indian Standing Conference
- Women of Nigeria International
- Yemeni Community Association

### **Religious**

- Apostolic Faith Mission
- Bermondsey Methodist Central Hall
- Bethel Apostolic Ministerial Union
- Bethnal Apostolic Ministerial Union
- Brandon Baptist Church
- British Red Cross
- Celestial Church of Christ
- Christ Church (Barry Road)
- Christ Church Southwark
- Christ Intercessor's Network
- Christian Caring Ministries Trust
- Christian Life Church
- Christway Community Centre
- Church of St John the Evangelist
- Churches Community Care Project
- Crossway United Reformed Church
- Daughters of Divine Love Training Centre
- Dulwich Islamic Centre
- Elephant & Castle Mosque
- English Martyrs Church
- Finnish Church in London
- Fountain of Life Ministries
- Gospel Faith Mission

- Grove Chapel
- Herne Hill Methodist Church
- Herne Hill United Reformed Church
- Holy Ghost Temple
- Jamyang Buddhist Centre
- Mary's Association
- Metropolitan Tabernacle
- Muslim Association of Nigeria
- New Peckham Mosque & Muslim Cultural Centre
- Norwegian Church
- Our Lady of La Salette & St Joseph
- Pakistan Muslim Welfare
- Peckham St John with St Andrew
- Pembroke College Mission
- Salvation Army
- Sasana Ramsi Vihara
- Seal of Rastafari
- Single Parents Holistic Ministry
- Sisters Community Delivery Health
- Sisters of the Sacred Heart
- South East Catholic Organisation
- South East London Baptist Homes
- South East Muslim Association

- South London Industrial Mission
- South London Tabernacle Baptist Church
- South London Temple
- Southwark Cathedral
- Southwark Churches Care
- Southwark Diocesan Housing Association
- Southwark Hindu Centre
- Southwark Islam Cultural Trust
- Southwark Multi-Faith Forum c/o CIDU
- Southwark Muslim Council & Dulwich Islamic Centre
- Southwark Muslim Forum
- Southwark Muslim Women's Association
- Southwark Muslim Youth Project
- Southwark Salvation Army
- St Anne's Church, Bermondsey
- St Anthony's Hall
- St Christopher's Church (Pembroke College Mission)
- St Georges Roman Catholic Cathedral
- St Giles Church
- St Giles Trust

#### **Residents groups**

- Abbeyfield T&RA
- Acorn T&RA
- Adams Gardens T&RA
- Alberta T&RA
- Alvey T&RA
- Applegarth House T&RA
- Applegarth TMO
- Astbury Road T&RA
- Atwell T&RA
- Aylesbury T&RA
- Baltic Quay Residents and Leaseholders
- Barry Area T&RA

- St Hugh's Church
- St John's Church, Peckham
- St Mary Magdalene Church - Bermondsey
- St Mary's Greek Orthodox Church
- St Matthews at the Elephant
- St Peters Church
- St. Johns Church, Goose Green
- St. Jude's Community Centre
- St. Matthew's Community Centre
- St. Michael's Vicarage
- Sumner Road Chapel
- Swedish Seaman's Church
- Taifa Community Care Project
- The Church Commissioners
- The Church of the Lord (Aladura)
- The Rectory
- Tibetan Buddhist Centre
- Trinity In Camberwell
- Vineyard Community Church
- Walworth Methodist Church

- Bellenden Residents Group
- Bermondsey Street T&RA
- Bermondsey Street TA.
- Bonamy & Bramcote Tenants Association
- Borough and Scovell T&RA
- Brandon T&RA
- Brayards Rd Estate TRA
- Brenchley Gardens T&RA
- Bricklayers Arms T&RA
- Brimtonroy T&RA
- Brook Drive T&RA
- Browning T&RA

- Brunswick Park T&RA
- Buchan T&RA
- Camberwell Grove T&RA
- Canada Estate T&RA
- Caroline Gardens T&RA
- Castlemead T&RA
- Cathedral Area RA
- Champion Hill T&RA
- Comus House T&RA
- Conant T&RA
- Congreve and Barlow T&RA
- Consort T&RA
- Cooper Close Co-op T&RA
- Cossall T&RA
- Crawford Road T&RA
- Crosby Lockyer & Hamilton T&RA
- Croxted Road E.D.E.T.R.A
- Delawyck Residents Association
- Delawyck T&RA
- D'Eynsford Estate T&RA
- Dickens T&RA
- Dodson & Amigo T&RA
- Downtown T&RA
- Draper Tenants Association
- East Dulwich Estate T&RA
- East Dulwich Grove Estate T&RA
- Elephant Lane Residents Association
- Elizabeth T&RA
- Elmington T&RA
- Esmeralda T&RA
- Four Squares T&RA
- Gateway T&RA
- Gaywood Estate TA
- Gaywood T&RA

- George Tingle T&RA
- Gilesmead T&RA
- Glebe North and South T&RA
- Gloucester Grove T&RA
- Goschen T&RA
- Grosvenor T&RA
- Grove Lane Residents Association
- Haddonhall Residents TMO
- Haddonhall Tenants Co-op
- Halimore TA
- Harmsworth Mews Residents Association
- Hawkstone T&RA
- Hayles T&RA
- Heygate T&RA
- House Buildings T&RA
- Juniper House T&RA
- Keetons T&RA
- Kennington Park House T&RA
- Kinglake T&RA
- Kipling T&RA
- L T&RA
- Lant T&RA
- Lawson Residents Association
- Lawson T&RA
- Leathermarket JMB
- Ledbury T&RA
- Lettsom T&RA
- Library Street Neighbourhood Forum
- Longfield T&RA
- Lordship Lane & Melford Court T&RA
- Magdalene Tenants & Residents Association
- Magdalen T&RA
- Manchester House T&RA
- Manor T&RA



- Mardyke House T&RA
- Mayflower T&RA
- Meadow Row T&RA
- Metro Central Heights RA
- Millpond T&RA
- Neckinger Estate T&RA
- Nelson Square Gardens T&RA
- Nelson Square Community Association
- New Camden T&RA
- Newington T&RA
- Northfield House T&RA
- Nunhead Residents Association
- Oliver Goldsmith T&RA
- Osprey T&RA
- Parkside T&RA
- Pasley Estate T&RA
- Pedworth T&RA
- Pelier T&RA
- Penrose T&RA
- Plough and Chiltern T&RA
- Puffin T&RA
- Pullens T&RA
- Pullens Tenants Association
- Redriff Tenants Association (Planning)
- Rennie T&RA
- Rochester Estate T&RA
- Rockingham Management Committee
- Rockingham TRA
- Rodney Road T&RA
- Rouel Road Estate T&RA
- Rye Hill T&RA
- Salisbury Estate T&RA

- Sceaux Gardens T&RA
  - Setchell Estate T&RA
  - SHACCA T&RA
  - Silwood T&RA
  - Southampton Way T&RA
  - Southwark Group of Tenants Association
  - Southwark Park Estate T&RA
  - St Crispins T&RA
  - St James T&RA
  - Styles House T&RA
  - Sumner Residents T&RA
  - Surrey Gardens T&RA
  - Swan Road T&RA
  - Sydenham Hill T&RA
  - Tabard Gardens Management Co-op
  - Tappesfield T&RA
  - Tarney Road Residents Association
  - Tenant Council Forum
  - Thorburn Square T&RA
  - Thurlow T&RA
  - Tooley Street T&RA
  - Trinity Newington Residents Association
- 
- Two Towers T&RA
  - Unwin & Friary T&RA
  - Webber and Quentin T&RA
  - Wendover T&RA
  - West Square Residents' Association
  - Wilsons Road T&RA
  - Winchester Estate TA
  - Wyndam & Comber T&RA

## Housing

- Affinity Sutton
- Central & Cecil Housing Trust
- Dulwich Right to Buy
- Excel Housing Association
- Family Housing Association Development
- Family Mosaic
- Habinteg
- Hexagon - Southwark Women's Hostel
- Hexagon Housing
- Hexagon RSL
- Home-Start
- Housing for Women
- Hyde RSL
- Lambeth & Southwark Housing Society
- London & Quadrant Housing Trust

- Love Walk Hostel
- Metropolitan Housing Trust
- Octavia Hill Housing Trust
- Peabody Estate (Bricklayers)
- Pecan Limited
- Rainer South London Housing Project
- Sojourner Housing Association
- South East London Housing Partnership
- Southwark Housing Association Group (SOUHAG)
- Southern Housing Group
- Southwark & London Diocesan H A
- Southwark Park Housing
- Stopover Emergency & Medium Stay Hostels
- Wandle RSL

#### **Education/young persons**

- 8th East Dulwich Brownies
- Active Kids Network
- After School Clubs
- All Nations Community Nursery
- Alliance for African Youth
- Amott Road Playgroup
- Anti-Bullying Campaign
- Aylesbury Early Years Centre
- Aylesbury Plus SRB Detached Project: Youth Club
- Aylesbury Youth Centre
- Aylesbury Youth Club
- Bede Youth Adventure
- Bermondsey Adventure Playground
- Bermondsey Community Nursery
- Bermondsey Scout Group
- Bethwin Road Adventure Playground

- Blackfriars Housing for Young
- Blackfriars Settlement Youth Club
- British Youth Opera
- Camberwell After-School Project
- Camberwell Choir School
- Camberwell Scout Group
- Cambridge House Young People's Project
- Camelot After School Club
- Caribb Supplementary School and Youth Club
- Caribbean Youth & Community Association
- CASP Playground
- Charles Dickens After School Clubs
- Chellow Dene Day Nursery
- Child and Sound
- Children's Day Nursery
- Community Education Football Initiative

- Community Youth Provision Ass.
- Copleston Children's Centre
- Dyason Pre-School
- Early Years Centre
- Early-Birds Pre-School Playgroup
- East Dulwich Adventure Playground Association
- East Dulwich Community Nursery
- Ebony Saturday School
- Emmanuel Youth & Community Centre
- First Steps Montessori Playgroup
- Founder Union of Youth
- Future Generation Youth Club
- Garden Nursery
- Geoffrey Chaucer Youth Club
- Goose Green Homework Club
- Grove Vale Youth Club
- Gumboots Community Nursery
- Guys Evelina Hospital School
- Half Moon Montessori Playgroup
- Happy Faces Playgroup Under 5's
- Hatasu Students Learning Centre
- Heartbeat After School Project
- Heber After School Project
- Hollington Youth Club
- Joseph Lancaster After School Club
- Justdo Youth Network
- Ketra Young Peoples Project
- Kids Are Us Play centre
- Kids Company
- Kinderella Playgroup
- Kingsdale Youth Centre
- Kingswood Elfins
- Lawnside Playgroup
- Linden Playgroup
- Louise Clay Homework Club
- Millwall Community Sports Scheme
- Mint Street Adventure Playground
- Mission Youth Centre
- Mother Goose Nursery
- NCH Action for Children Eye to Eye Meditation
- Nunhead Community Education Service
- Nunhead Green Early Years
- Odessa Street Youth Club
- Peckham Drop in Crèche
- Peckham Park After School Club
- Peckham Rye After School Care
- Peckham Settlement Nursery
- Peckham Town Football Club
- Pembroke House Youth Club
- Pickwick Community Centre & Youth Club
- Playshack Playgroup
- Rainbow Playgroup
- Reconcillors Children's Club
- Riverside After School Club
- Rockingham Asian Youth
- Rockingham Community Day Nursery
- Rockingham Estate Play
- Rockingham Playgroup
- Rotherhithe Community Sports Project
- Sacred Heart Pre-School Day Care
- Salmon Youth Centre
- Save the Children Fund
- Scallywags Day Nursery
- Scarecrows Day Nursery
- Sesame Supplementary School
- Sheldon Health Promotion Toddlers Group
- Sixth Bermondsey Scout Group
- Somali Youth Action Forum

- South London Children's Scrap Scheme
- South London Scouts Centre
- Southwark Catholic Youth Service
- Southwark Childminding Association
- Southwark Children's Foundation
- Southwark Community Planning & Education Centre
- Southwark Opportunity Playgroup
- Southwark Schools Support Project
- Southwark Somali Homework Club
- Springboard for Children
- St Faiths Community & Youth Association
- St Giles Youth Centre
- St John's Waterloo YC
- St Marys Pre-School
- St Peters Monkey Park
- St. George's Youth Project
- St. Peter's Youth & Community Centre
- Surrey Docks Play Ass.
- Tabard After School Project
- Tadworth Playgroup
- Tenda Road Early Years Centre
- The Ink Tank Arts and Crafts After School Kids Club
- Trinity Child Care
- Tykes Corner
- Union of Youth
- Upstream Children's Theatre
- Westminster House Youth Club
- YCGN UK (Youth Concern Global Network)
- YHA Rotherhithe
- Youth Concern UK
- Anando Pat Community School
- Archbishop Michael Ramsey Sixth Form Centre
- Beormund School
- Butcher CoE School

- British School of Osteopathy
- Brunswick Park Primary
- Cathedral School
- Cobourg Primary School
- Crampton Primary
- Crampton School (Parents)
- Dachwyng Supplementary School
- Dulwich College
- Dulwich Hamlet Junior School
- Dulwich Village CE Infants School
- Dulwich Wood School
- Emotan Supplementary School
- English Martyrs RC School
- Eveline Lowe School
- Friars School
- Gabriel Garcia Marquez School
- Geoffrey Chaucer School
- Gharweg Saturday School
- Gloucester Primary
- Goodrich Primary
- Grange Primary
- Institute of Psychiatry
- James Allen's Girls School
- Kingsdale School
- Kintmore Way Nursery School
- Lighthouse Supplementary School
- Little Saints Nursery School Ltd
- London College of Printing
- London School of Law
- London South Bank University
- Morley School
- Mustard Seed Pre-School
- Nell Gwynn School
- Notre Dame RC

- Pui-Kan Community Chinese School
- Robert Browning Primary School
- Sacred Heart School
- South Bank University
- Southwark College (Southampton Way)
- Southwark College (Surrey Docks)
- Southwark College (Waterloo)
- Southwark College Camberwell Centre
- St Anthony's RC
- St Francesa Cabrini RC
- St Francis RC
- St George's Cathedral
- St George's CE
- St John's CE School
- St Josephs Infants School
- St Josephs RC School

- St Judes CE School
- St Olave's & St Saviour's Grammar School Foundation
- St Paul's Primary School
- St Peter's Walworth CE School
- St Saviour's & St Olave's CE
- St. George the Martyr School
- Surrey Square Infant and Junior School
- The Archbishop Michael Ramsey Technology College
- The Charter School
- Townsend Primary School
- Victory Primary School
- Walworth Lower School
- Walworth Upper School
- Waverley Upper School
- Whitefield Pre-school
- Whitstable Early Years Centre

## Health

- Alzheimer's Disease Society
- Bermondsey & Rotherhithe Mental Health Support Group
- Community Health South London
- Daryeel Health Project
- Dyslexia Association of London
- Guys and St. Thomas' Hospital Trust
- Health Action Zone
- Health First
- Hospital and Prison Action Network
- London Dyslexia Association
- London Ecumenical Aids Trust
- LSL Health Alliance
- Maudsley Befrienders & Volunteers
- Maudsley Social Work Team
- Maudsley Volunteers
- Mental Health Project

- Oasis Health Centre
- Phoenix Women's Health
- Southwark Health Alliance
- Southwark HIV & Aids Users Group
- Southwark Phoenix Women's Health Organisation
- St Christopher's Hospice
- Terence Higgins Trust
- Aylesbury Health Centre
- Aylesbury Medical Centre
- Bermondsey & Lansdowne Medical Mission
- Blackfriars Medical Centre
- Borough Medical Centre
- Camberwell Green Surgery
- CHSL NHS Trust
- Elm Lodge Surgery
- Falmouth Road Group Practice

- Guy's and St Thomas' NHS Foundation Trust
- Maudsley Hospital
- Old Kent Road
- Parkside Medical Centre
- Princess Street Health Centre
- SHA Strategic Health Authority Southside

- The Diffley Practice
- The Grange Road Practice
- Townley Clinic
- Walworth Clinic
- Walworth Road Health Centre

### **Transport**

- Green Lanes & REPA
- Lambeth and Southwark Community Transport (LASCOT)
- Living Streets
- London Cycling Campaign
- London Transport Users Committee
- Southwark Community Transport

- Southwark Cyclists
- Southwark Living Streets
- Southwark Pedestrian Rights Group
- Southwark Transport Group
- SUSTRANS

### **Pensioners/older people**

- Age Concern Carers Support Group
- Age Concern Southwark Community Support
- Age Concern Southwark Primary Care Project
- Age Concern Southwark: Head Office
- Association of Greater London Older Women (AGLOW)
- Aylesbury Pensioners Group
- Bermondsey Care for the Elderly
- Bermondsey Pensioners Action Group
- East Dulwich Pensioners Action Group
- East Dulwich Pensioners Group
- Fifty+ Activity Club
- Golden Oldies Club
- Golden Oldies Community Care Project
- Golden Oldies Luncheon Club
- Local Authority Elderly Home

- Old Age Directorate
- Over 50's Club
- Pensioners Club
- Pensioners' Forum
- Pensioners Pop-In (Borough Community Centre)
- Rockingham Over 50's
- Rotherhithe Pensioners Action Group
- South Asian Elderly Organisation
- Southwark Black Elderly Group
- Southwark Irish Pensioners
- Southwark Muslim Pensioners Group
- Southwark Pensioners Action Group
- Southwark Pensioners Centre
- Southwark Pensioners Forum
- Southwark Turkish Elderly

### **Disability**

- Action for Blind People
- Action for Blind People (Training Centre)
- Action for Dysphasic Adults
- Age Concern Southwark Black Elders Mentally Frail
- Bede Learning Disabilities Project
- Cambridge House Literacy Project
- Handicapped Playground Ass
- IBA for Children & Adults with Mental & Physical Disabilities
- Keskeedee Arts for Disabled People

- Latin American Disabled People's Project
- Organisation of Blind African Caribbeans
- Sainsbury's Centre for Mental Health
- Sherrie Eugene Community Deaf Association
- Southwark Disabilities Forum c/o CIDU
- Southwark Disablement Association
- Southwark Multiple Sclerosis Society
- Southwark Phoenix and Leisure Club for People with Disabilities

### **Refugee Groups/Recent Immigrants**

- Refugee Housing Association
- Refugee Youth
- South London Refugee Youth
- Southwark Day Centre for Asylum Seekers
- Southwark Refugee Artists Network
- Southwark Refugee Communities Forum
- Southwark Refugee Education Project
- Southwark Refugee Project
- The Refugee Council

### **Lesbian, gay, bisexual and transgender**

- Southwark LGBT Network

### **Other Consultees**

- Age Concern
- British Waterways, Canal owners and navigation authorities (Port of London)
- Centre for Ecology and Hydrology
- Southwark Chamber of Commerce
- Church Commissioners
- Commission for Architecture and the Built Environment
- Commission for New Towns and English Partnerships
- Crown Estate Office
- Civil Aviation Authority
- English Partnerships
- Commission for Racial Equality
- Department of the Environment, Food and Rural Affairs
- Southwark Primary Care Trust

- Regional Public Health Group - London
- Diocesan Board of Finance
- Disability Rights Commission
- Disabled Persons Transport Advisory Committee
- H.M Prison Service
- Highways Agency
- Home Office
- Electricity, Gas, Telecommunications Operators
- National Grid
- Council for the Protection of Rural England
- London Wildlife Trust
- Royal Society for the Protection of Birds
- Equal Opportunities Commission
- Fire and Rescue Services
- Friends of the Earth Southwark
- Forestry Commission
- Freight Transport Association
- Gypsy Council
- Health and Safety Executive
- Help the Aged
- Housing Corporation
- Learning and Skills Council
- Southwark Equalities Council
- Regional Housing Boards
- Railfreight Group
- Road Haulage Association
- House Builders Federation
- Traveller Law Reform Coalition
- London Transport Buses
- London Underground
- Marine Management Organisation
- National Disability Council Secretariat
- National Grid Company Plc.
- National Playing Fields Association

- Network Rail
- Office of Rail Regulation
- Police/Crime Prevention
- Port of London Authority
- Post Office Property Holdings
- Southern Railway
- Sport England - London Region
- Thameslink Trains
- Transport for London
- Women's National Commission
- Southwark Volunteer Centre



## Appendix D: Draft CIL Charging Schedule consultation letter (CIL Regulations 15 (2) (5))



Planning Policy  
Direct Line: 020 7525 5471  
Facsimile: 020 7525 5561

19 February 2013

Dear «First\_name» «Last\_name»

I am writing to notify you that we are currently consulting on two planning documents.

### 1. DRAFT COMMUNITY INFRASTRUCTURE LEVY (CIL) CHARGING SCHEDULE

#### What is the Community Infrastructure Levy (CIL) and the Charging Schedule?

The Community Infrastructure Levy (CIL) is a new levy that local authorities can choose to charge on new developments in their area. The money can be used to support new development by funding strategic infrastructure that the council, local community and neighbourhoods want.

Southwark is intending to become a CIL charging authority under the Planning Act 2008 and Community Infrastructure Levy Regulations 2010 (as amended). In order to do so, Southwark must prepare and consult on a charging schedule which sets out the charging rate(s) (per square metre of new floorspace) to be levied on new development in the borough. These rates need to be supported by evidence including a study of the economic viability of new development and an Infrastructure Plan which sets out Southwark's infrastructure needs over the next 15 years.

We consulted on a 'Preliminary' draft CIL Charging Schedule from July to October 2012. We are now at the second stage of preparation. Following this second round of consultation we will be submitting the Draft CIL Charging Schedule and all of the representations received during consultation to the Government's Planning Inspectorate office. The Draft CIL Charging Schedule will then be subject to an Examination in Public held by an independent Examiner during the Summer 2013.

The CIL Charging Schedule will eventually replace the section 106 tariffs set out in the adopted Section 106 planning obligations supplementary planning document (SPD). Section 106 planning obligations will continue to be used for affordable housing and anything required just for the specific site (like a new access road). We will consult on a revised Section 106 planning obligations SPD later in the year.

#### How to make a representation on the Draft CIL Charging Schedule (CIL Regulation 16 (2))

The draft CIL Charging Schedule was published on **20 February 2013** and is available for consultation for a period of six weeks. All comments must be received by **5pm Wednesday 3 April 2013**.

The draft CIL Charging Schedule and its supporting documents are available to view on the council's website at: [http://www.southwark.gov.uk/info/856/planning\\_policy/2696/community\\_infrastructure\\_levy](http://www.southwark.gov.uk/info/856/planning_policy/2696/community_infrastructure_levy)  
You can see a hard copy of all of the documents at the locations listed on the back of this letter.

Comments can be made in writing or via email and sent to the following addresses. At this stage you are also able to request if you would like the right to be heard by the CIL Examiner at the forthcoming Examination in Public hearing.

Email: [planningpolicy@southwark.gov.uk](mailto:planningpolicy@southwark.gov.uk).

Post: FREEPOST SE1919/14  
Barbara-Ann Overwater  
Planning Policy

**Planning Policy** – Chief Executive's Department, PO Box 64529, London SE1P 5LX  
**Switchboard** - 020 7525 5000 **Website** - [www.southwark.gov.uk](http://www.southwark.gov.uk)  
**Chief Executive** – Elena Kelly

Chief Executive's Department  
London SE1P 5EX

In your representation to us please also let us know if you would like to be notified at a specified address of any of the following:

- (i) that the draft CIL charging schedule has been submitted to the CIL Examiner in accordance with section 212 of PA 2008,
- (ii) the publication of the recommendations of the CIL Examiner and the reasons for those recommendations, and
- (iii) the approval of the CIL charging schedule by the council.

## 2. DRAFT DULWICH SUPPLEMENTARY PLANNING DOCUMENT (SPD)

The draft Dulwich SPD is a planning document that provides guidance setting out how we will ensure that new development respects the historic character and reflects local distinctiveness. The SPD provides guidance on a number of issues including; conserving heritage assets, appropriate types of new development, protecting and improving open spaces and protecting and improving shopping areas. The SPD will be used to decide if planning applications in Dulwich should be approved.

### How to make a representation on the draft Dulwich SPD

The draft Dulwich SPD was published on **28 January 2013** and is available for consultation for a period of 12 weeks. All comments must be received by **5pm Monday 22 April 2013**.

The draft SPD and supporting documents are available to view and download from our website at [http://www.southwark.gov.uk/info/200151/supplementary\\_planning\\_documents\\_and\\_guidance/1247/dulwich\\_spd](http://www.southwark.gov.uk/info/200151/supplementary_planning_documents_and_guidance/1247/dulwich_spd)

You can see a hard copy of the SPD at the locations listed on the back of this letter. Paper copies are available from the Planning Policy team by phoning 020 7525 5471 or emailing [planningpolicy@southwark.gov.uk](mailto:planningpolicy@southwark.gov.uk).

We will also be holding two consultation events on the Dulwich SPD at the following venues;

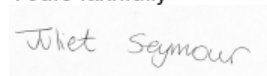
- **Saturday 2 March, 2pm-5pm** drop in session, (3.30pm-5pm workshop) at Dulwich Picture Gallery, Gallery Road, Dulwich, London SE21 7AD
- **Wednesday 10 April, 5pm-8pm** drop in session at Dulwich Leisure Centre, 2b Crystal Palace Road, London SE22 9HB

Comments can be made in writing or via email and sent to the following addresses.

Post: FREEPOST SE1919/14  
Kate Johnson  
Planning Policy  
Southwark Council  
London SE1P 5EX  
Email : [planningpolicy@southwark.gov.uk](mailto:planningpolicy@southwark.gov.uk)

If you have any queries about these documents, please contact the Planning Policy team on 020 7525 5471 or by email at [planningpolicy@southwark.gov.uk](mailto:planningpolicy@southwark.gov.uk)

Yours faithfully



Juliet Seymour  
Planning Policy Manager

**Planning Policy** – Chief Executive's Department, PO Box 64529, London SE1P 5LX  
**Switchboard** - 020 7525 5000 **Website** - [www.southwark.gov.uk](http://www.southwark.gov.uk)  
**Chief Executive** – Elena Kelly

## LOCATIONS

**Southwark Council, 160 Tooley Street, London, SE1 2QH**

### **Libraries (Opening times listed individually below)**

- **Blue Anchor Library:** Market Place, Southwark Park Road, SE16 3UQ  
(Monday; Tuesday & Thursday 09:00 – 19:00, Friday 10:00 – 18:00, Saturday 09:00 – 17:00)
- **Brandon Library:** Maddock Way, Cooks Road, SE17 3NH  
(Monday, Tuesday & Thursday 14:00 – 17:00, Friday 10:00 – 15:00, Saturday 10:00 – 17:00)
- **Camberwell Library:** 17-21 Camberwell Church Street, SE5 8TR  
(Monday, Tuesday & Thursday 9:00 – 20:00, Friday 10:00 – 18:00, Saturday 09:00 – 17:00)
- **Canada Water Library:** 21 Surrey Quays Road, SE16 7AR  
(Monday – Friday 09:00 – 20:00, Saturday 09:00 - 17:00, Sunday 12:00- 16:00)
- **Dulwich Library:** 368 Lordship Lane, SE22 8NB  
(Monday, Wednesday, Thursday & Friday 09:00 – 20:00, Tuesday 10:00 – 20:00, Saturday 09:00 – 17:00, Sunday 12:00 – 16:00)
- **East Street Library:** 168-170 Old Kent Road, SE1 5TY  
(Monday & Thursday 10:00 – 19:00, Tuesday 10:00 – 18:00, Saturday 10:00 – 17:00)
- **Grove Vale Library:** 25-27 Grove Vale, SE22 8EQ  
(Monday, Tuesday & Thursday 14:00 – 17:00, Friday 10:00 – 15:00, Saturday 10:00 – 17:00)
- **John Harvard Library:** 211 Borough High Street, SE1 1JA  
(Monday – Friday 09:00 – 19:00, Saturday 09:00 – 17:00)
- **Kingswood Library:** Seeley Drive, SE21 8QR  
(Monday – Friday 10:00 – 14:00, Tuesday & Friday 14:00 – 18:00, Saturday 13:00 – 17:00)
- **Newington Library:** 155-157 Walworth Road SE17 1RS  
(Monday, Tuesday & Friday 09:00 – 20:00, Wednesday & Thursday 10:00 – 20:00, Saturday 09:00 – 17:00, Sunday 12:00 – 14:00)
- **Nunhead Library:** Gordon Road, SE15 3RW  
Monday, Tuesday & Thursday 14:00 – 19:00, Friday 10:00 – 18:00, Saturday 10:00 – 17:00)
- **Peckham Library:** 122 Peckham Hill Street, SE15 5JR  
(Monday, Tuesday, Thursday & Friday 09:00 – 20:00, Wednesday 10:00 – 20:00, Saturday 10:00 – 17:00, Sunday 12:00 – 16:00)

### **Area Housing Offices (Open Monday – Friday, 09:00 – 17:00)**

- Nunhead & Peckham Rye – 27 Bournemouth Road, SE15 5TY
- Camberwell – Harris Street, SE5 7RX
- Rotherhithe – 153-159 Abbeyfield Road, SE16 2LS

### **One Stop Shops (Open Monday – Friday 09:00 – 17:00)**

- Peckham one stop shop – 122 Peckham Hill Street, SE15 5JR
- Walworth one stop shop – 151 Walworth Road, SE17 1RY

**Planning Policy** – Chief Executive's Department, PO Box 64529, London SE1P 5LX  
**Switchboard** - 020 7525 5000 **Website** - [www.southwark.gov.uk](http://www.southwark.gov.uk)  
**Chief Executive** – Elena Kelly

# Appendix E: Press Notice (CIL Regulation 15 (5)) Thursday 21 February 2013



## NOTICE OF FORMAL CONSULTATION

### COMMUNITY INFRASTRUCTURE LEVY, ENGLAND AND WALES: THE COMMUNITY INFRASTRUCTURE LEVY REGULATIONS 2010 (AS AMENDED 2011 AND 2012)

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

The Community Infrastructure Levy (CIL) is a new levy that local authorities can choose to charge on new developments in their area. The money can be used to support new development by funding strategic infrastructure that the council, local community and neighbourhoods want.

Southwark is intending to become a CIL charging authority under the Planning Act 2008 and Community Infrastructure Levy Regulations 2010 (as amended). In order to do so, Southwark must produce and consult on a charging schedule which sets out the charging rates (per square metre of new floorspace) to be levied on new development in the borough. These rates need to be supported by evidence including a study of the economic viability of new development and an Infrastructure Plan which sets out Southwark's infrastructure needs over the next 15 years.

We consulted on a Preliminary draft CIL Charging Schedule from July to October 2012. We are now at the second stage of preparation. Following this second round of consultation we will be submitting the Draft CIL Charging Schedule and all of the representations received during the consultation to the Government's Planning Inspectorate office. The Draft CIL Charging Schedule will then be subject to an Examination in Public held by an independent Examiner during the Summer 2013.

#### How to make a representation on the Draft CIL Charging Schedule (CIL Regulation 16 (2))

The draft CIL Charging Schedule was published on 20 February 2013 and is available for consultation for a period of six weeks. All comments must be received by 5pm Tuesday 3 April 2013.

The draft CIL Charging Schedule and its supporting documents are available to view on the council's website at: [http://www.southwark.gov.uk/info/856/planning\\_policy/269/community\\_infrastructure\\_levy](http://www.southwark.gov.uk/info/856/planning_policy/269/community_infrastructure_levy)

You can see a hard copy of all of the documents at the locations listed below.

Comments can be made in writing or via email and sent to the following addresses. At this stage you are also able to request if you would like the right to be heard by the CIL Examiner at the forthcoming Examination in Public hearing.

Email: [planningpolicy@southwark.gov.uk](mailto:planningpolicy@southwark.gov.uk)

Post: FREEPOST SE1919/14, Barbara-Ann Overwater, Planning Policy, Chief Executive's Department, London SE1P 5EX

In your representation to us please also let us know if you would like to be notified at a specified address of any of the following:

- (i) that the draft CIL charging schedule has been submitted to the CIL Examiner in accordance with section 212 of PA 2008,
- (ii) the publication of the recommendations of the CIL Examiner and the reasons for those recommendations, and
- (iii) the approval of the CIL charging schedule by the council.

#### DRAFT DULWICH SUPPLEMENTARY PLANNING DOCUMENT (SPD)

The draft Dulwich SPD is a planning document that provides guidance setting out how we will ensure that new development respects the historic character and reflects local distinctiveness. The SPD provides guidance on a number of issues including: conserving heritage assets, appropriate types of new development, protecting and improving open spaces and protecting and improving shopping areas. The SPD will be used to decide if planning applications in Dulwich should be approved.

#### How to make a representation on the draft Dulwich SPD

The draft Dulwich SPD was published on 28 January 2013 and is available for consultation for a period of 12 weeks. All comments must be received by 5pm Monday 22 April 2013.

The draft SPD and supporting documents are available to view and download from our website at [http://www.southwark.gov.uk/info/200151/supplementary\\_planning\\_documents\\_and\\_guidance/1247/dulwich\\_spd](http://www.southwark.gov.uk/info/200151/supplementary_planning_documents_and_guidance/1247/dulwich_spd)

You can see a hard copy of the SPD at the locations listed on the back of this letter. Paper copies are available from the Planning Policy team by phoning 02075255471 or by email.

We will also be holding two consultation events on the Dulwich SPD at the following venues:

- Saturday 2 March, 2pm-5pm drop in session, (3.30pm-5pm workshop) at Dulwich Picture Gallery, Gallery Road, Dulwich, London SE21 7AD
- Wednesday 10 April, 5pm-8pm drop in session at Dulwich Leisure Centre, 2b Crystal Palace Road, London SE22 9HB

Comments can be made in writing or via email and sent to the following addresses.

Post: FREEPOST SE1919/14, Kate Johnson, Planning Policy, Southwark Council, London SE1P 5EX  
Email: [planningpolicy@southwark.gov.uk](mailto:planningpolicy@southwark.gov.uk)

#### LOCATIONS

Southwark Council, 160 Tooley Street, London, SE1 2QH

#### Libraries (Opening times listed individually below)

- Blue Anchor Library: Market Place, Southwark Park Road, SE16 3UQ  
(Monday, Tuesday & Thursday 09:00 – 19:00, Friday 10:00 – 18:00, Saturday 09:00 – 17:00)
- Brandon Library: Madock Way, Cooks Road, SE17 9NH  
(Monday, Tuesday & Thursday 14:00 – 17:00, Friday 10:00 – 15:00, Saturday 10:00 – 17:00)
- Camberwell Library: 17-21 Camberwell Church Street, SE5 8TR  
(Monday, Tuesday & Thursday 9:00 – 20:00, Friday 10:00 – 18:00, Saturday 09:00 – 17:00)
- Canada Water Library: 21 Surey Quays Road, SE16 7AR  
(Monday – Friday 09:00 – 20:00, Saturday 09:00 – 17:00, Sunday 12:00 – 16:00)
- Dulwich Library: 368 Lordship Lane, SE22 8NB  
(Monday, Wednesday, Thursday & Friday 09:00 – 20:00, Tuesday 10:00 – 20:00, Saturday 09:00 – 17:00, Sunday 12:00 – 16:00)
- East Street Library: 168-170 Old Kent Road, SE1 5TY  
(Monday & Thursday 10:00 – 19:00, Tuesday 10:00 – 18:00, Saturday 10:00 – 17:00)
- Grove Vale Library: 25-27 Grove Vale, SE22 8EQ  
(Monday, Tuesday & Thursday 14:00 – 17:00, Friday 10:00 – 15:00, Saturday 10:00 – 17:00)
- John Harvard Library: 211 Borough High Street, SE1 1JA  
(Monday – Friday 09:00 – 19:00, Saturday 09:00 – 17:00)
- Kingswood Library: Seeley Drive, SE21 8QR  
(Monday – Friday 10:00 – 14:00, Tuesday & Friday 14:00 – 18:00, Saturday 13:00 – 17:00)
- Newington Library: 155-157 Walworth Road SE17 1RS  
(Monday, Tuesday & Friday 09:00 – 20:00, Wednesday & Thursday 10:00 – 20:00, Saturday 09:00 – 17:00, Sunday 12:00 – 14:00)
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- Camberwell – Harris Street, SE5 7RX
- Rotherhithe – 153-159 Abbeyfield Road, SE16 2LS

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- Walworth one stop shop – 151 Walworth Road, SE17 1RY

## **Appendix F: Consultation representations and officer responses on the draft CIL Charging Schedule**

### CIL objectors

| Organisation                                 | Surname   | First Name | Objector_Ref | Consultation Stage          |
|----------------------------------------------|-----------|------------|--------------|-----------------------------|
|                                              | Adenwalla | Pauline    | 178          | Draft CIL charging schedule |
|                                              | Conn      | Eileen     | 115          | Draft CIL charging schedule |
|                                              | Hewitt    | Jerry      | 191          | Draft CIL charging schedule |
|                                              | Lee       | Richard    | 140          | Draft CIL charging schedule |
| Asda Stores Ltd                              |           | c/o Agent  | 902          | Draft CIL charging schedule |
| Barratt Homes Ltd                            |           | c/o agent  | 974          | Draft CIL charging schedule |
| Berkley Group                                | c/o Agent |            | 445          | Draft CIL charging schedule |
| BLACKFRIARS LIMITED                          |           | C/O AGENT  | 184          | Draft CIL charging schedule |
| British Land , Aviva Life & Pensions Ltd     |           | c/o Agent  | 906          | Draft CIL charging schedule |
| City of London Corporation                   | Daly      | Patrick    | 120          | Draft CIL charging schedule |
| Development Securities Plc                   |           | c/o Agent  | 907          | Draft CIL charging schedule |
| English Heritage                             | Saunders  | Graham     | 154          | Draft CIL charging schedule |
| Environment Agency                           | Muriithi  | Charles    | 643          | Draft CIL charging schedule |
| Greater London Authority                     | Watkinson | David      | 196          | Draft CIL charging schedule |
| Imperial War Museums London                  |           | c/o Agent  | 707          | Draft CIL charging schedule |
| IPPF - berrymsey trading estate              |           | c/o agent  | 1015         | Draft CIL charging schedule |
| Key Property Investments                     |           | c/o Agent  | 669          | Draft CIL charging schedule |
| King's College London                        |           | C/O AGENT  | 176          | Draft CIL charging schedule |
| Land Securities                              | O'Shea    | Colette    | 895          | Draft CIL charging schedule |
| Lend Lease Retail & Communities              |           | c/o Agent  | 190          | Draft CIL charging schedule |
| Linden Homes                                 |           | c/o agent  | 973          | Draft CIL charging schedule |
| London and Quadrant                          |           | c/o Agent  | 897          | Draft CIL charging schedule |
| London Fire and Emergency Planning Authority |           | c/o Agent  | 175          | Draft CIL charging schedule |
| London First                                 | Baber     | Faraz      | 1016         | Draft CIL charging schedule |
| Makka Pakka                                  | Sykes     | Geoffrey   | 975          | Draft CIL charging schedule |

### CIL objectors

| Organisation                         | Surname | First Name | Objector_Ref | Consultation Stage          |
|--------------------------------------|---------|------------|--------------|-----------------------------|
| Metropolitan Police                  |         | C/O AGENT  | 194          | Draft CIL charging schedule |
| Network Rail                         | Taylor  | Steve      | 241          | Draft CIL charging schedule |
| New Ventures Ltd                     |         | c/o agent  | 978          | Draft CIL charging schedule |
| NHS Southwark                        | Malone  | Jacqueline | 619          | Draft CIL charging schedule |
| Peabody Trust                        |         |            | 659          | Draft CIL charging schedule |
| Sellar (D&D)                         |         | Sellar     | 909          | Draft CIL charging schedule |
| South Bank Employers' Group          | Inman   | Ted        | 362          | Draft CIL charging schedule |
| Thames Water Utilities (Savills)     | Bell    | Carmelle   | 127          | Draft CIL charging schedule |
| The Dulwich Estate                   |         | C/o agent  | 977          | Draft CIL charging schedule |
| Theatres Trust                       | Freeman | Rose       | 131          | Draft CIL charging schedule |
| Unite Group Plc                      |         | c/o Agent  | 161          | Draft CIL charging schedule |
| Universities Superannuation Scheme   |         | c/o Agent  | 899          | Draft CIL charging schedule |
| Waterloo Community Development Group | Ball    | Michael    | 166          | Draft CIL charging schedule |
| Wm Morrison Supermarkets plc         |         | c/o Agent  | 130          | Draft CIL charging schedule |

## Appendix F: Responses and officer comments on the Draft CIL Charging Schedule

| Obj-ector Ref | Rep. Ref | Details of Representation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Officer Response to Representation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 115           | 377      | <p>We write on behalf of our client, Sainsbury's Supermarket Ltd, in response to publication of the Southwark CIL Draft Charging Schedule and would like to take this opportunity to make representations to the consultation.</p> <p>The Draft Charging Schedule proposes a differential set of rates for all retail units (A1-A5 uses) within the borough including a higher chargeable rate of £250 per sq m for all destination superstores, larger retail supermarkets and shopping centres and £125 per sq m for all other Class A1-A5 retail uses across the borough.</p> <p>Lack of Definition</p> <p>There is no adequate evidence that the sale of retail goods within a supermarket or shopping centre is a different intended use (for Regulation 13 purposes to the sale of all other class A1-A5 uses). Both are retail uses involving the sale of goods to visiting members of the public for their own consumption, with similar operational characteristics. What is the real difference in "intended use" between different types of Class A1-A5 retail uses – they are all simply shops and should be treated equally.</p> <p>We do not think that it is genuinely possible to make distinctions of this nature. In any event, there is no adequate evidence supporting the charging schedule which qualifies a distinction to be made.</p> | <p>The council considers that supermarkets and superstores and shopping centres/shopping malls do comprise distinct uses.</p> <p>The inspector's report on the Plymouth CIL examination concluded that:</p> <p>"Regulation 13 allows for differential rates to be set where viability differs by reference to Zones where buildings could be situated, or by reference to different "intended uses" of development. There is nothing in the Regulations to indicate, and it was agreed on behalf of Sainsbury's, that different "intended uses" could not fall within the same use class under the Town and Country Planning (Use Classes) Order 1987."</p> |
| 115           | 378      | <p>Instalments Policy</p> <p>In order for the requirements of CIL not to affect the long-term delivery of retail development within the borough, Sainsbury's consider it essential that Southwark also prepare and adopt an instalments policy in with CIL Regulation 69B. If all CIL is payable at the commencement of a development process then that might affect viability. Further clarification will therefore be required within the Draft Charging Schedule so that the financial consequences can be modelled.</p> <p>Exceptions Policy</p> <p>In addition to adopting an instalments policy, Sainsbury's suggest that the Council also adopt a policy which would provide for the Charging Authority to offer discretionary relief from the CIL payments. Sainsbury's considers it essential that the Council retains the opportunity for such an agreement to be reached in particular circumstances and welcomes the drafting of an exceptions policy in preparation for the next round of consultation.</p>                                                                                                                                                                                                                                                                                                                                       | <p>At this stage the Council does not wish to offer Exceptional Circumstances Relief given the new changes to the Regulations which allows for in-lieu infrastructure to be provided. As the Mayor of London has published his instalments policy for CIL the Council will rely on that to start with and review the impacts of it in the first 2 years.</p>                                                                                                                                                                                                                                                                                                |



**Obj-ector Ref**   **Rep. Ref**   **Details of Representation**

**Officer Response to Representation**

We trust the above points are helpful and look forward to reviewing the Charging Schedule when published in due course.

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120   279   With regards to Southwark's proposed Draft Community Infrastructure Levy, the City of London Corporation would like to notify you that we have no comments to make.

Comments noted.

If you would like to discuss anything further, please do not hesitate to contact me.

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127   280   Thames Water Utilities Ltd (Thames Water) Property Services function is now being delivered by Savills (UK) Limited as Thames Water's appointed supplier. Savills are therefore pleased to respond to the above consultation on behalf of Thames Water.

Thames Water are the statutory sewerage and water undertakers for Borough and are hence a "specific consultation body" in accordance with the Town & Country Planning (Local Planning) Regulations 2012.

Thames Water are currently scoping out its requirements for infrastructure upgrades for its next business plan covering the period of 2015 to 2020, and it will be in a position to communicate key aspects of its proposals during the summer of this year.

With regard to the Community Infrastructure Levy (CIL), planning obligations cannot usually be used to secure strategic water and wastewater infrastructure upgrades. This is because the provision of such infrastructure is in most cases funded through Thames Water's rolling 5 year Business Plan. However the enhancement of an infrastructure upgrade above the usual design criteria, for example providing an extreme level of flood prevention, could be potentially funded by CIL.

The purpose of the CIL is to raise funds from developers of new building projects to help fund infrastructure that is needed as a result of development. This includes transport schemes, flood defences, schools, hospitals and other health and social care facilities, parks, green spaces and leisure centres. However, water and wastewater infrastructure is also essential to all new development. Such water and wastewater infrastructure provision is unlikely to put additional pressure on the above mentioned infrastructure, conversely, such developments can enhance and improve the environment.

The Communities and Local Government document entitled "The Community Infrastructure Levy – An Overview" sets out that the money raised by developer contributions should be spent in a way that developers feel is worthwhile namely on infrastructure to support development and the creation of sustainable communities. The document also sets out that "the responsibility to pay the

The proposed CIL charges have been set having considered detailed viability appraisals for different types of development throughout the borough. Following consultation on the preliminary draft CIL, we proposed to reduce the charge for 'all other uses' from £50 per square metre to £30 per square metre. Applying a modest CIL of £30 sqm to such 'all other uses' (with the exception of health, libraries and education which will be zero rated) is considered unlikely to adversely affect the viability of such developments.

levy runs with the ownership of land on which the liable development will be situated. This is in keeping with the principle that those who benefit financially when planning permission is given should share some of that gain with the community. That benefit is transferred when the land is sold with planning permission, which also runs with the land.”

The predominant aims of water and wastewater infrastructure development are to support growth (the same aim as the CIL) and to deliver environmental improvements. Consequently, Thames Water do not benefit in the same way as residential or commercial developers through the ability of selling operational sites with planning permission for operational buildings.

Given the aim of new water or wastewater infrastructure buildings are to provide the infrastructure required to support growth or to deliver environmental improvements it is considered that charging the CIL on such water and wastewater developments would be unreasonable.

Although most water and wastewater infrastructure buildings would fall under the exemptions set out in the Regulations, for clarity and for the reasons set out above Thames Water consider that buildings required for water and wastewater infrastructure provision should be subject to a nil charge for the CIL as is the case for other infrastructure services such as education and health.

I trust the above is satisfactory, but please do not hesitate to contact me if you have any queries.

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130 281 We have been instructed by our client, WM Morrison Supermarkets plc ('Morrison's'), to strongly object to the following proposed Community Infrastructure Levy rates for retail development set out in the Draft Charging Schedule (February 2013).

Noted. In its response to detailed objections made by WM Morrison, the council has responded on all points.

The draft charging schedule proposes a CIL rate of £250 per sq for superstores / supermarkets / shopping centres / malls within the defined charging area. We note that the proposed CIL rate is informed by a Viability Study (January 2013) prepared by BNP Paribas. The Viability Study and supporting documents have been reviewed by Morrison's. Please see attached report prepared by Aspinall Verdi. You will note that whilst the work undertaken to date has been substantial, they consider that it makes several optimistic assumptions and significant omissions. They have advised that this work needs to be revisited and a major revision must take place, otherwise future development prospects for economic regeneration of the Borough could be severely prejudiced.

Our client is gravely concerned that the suggested charge will have a significant adverse impact on the overall viability of future retail development in the Council's administrative boundary. A balance has not been found between infrastructure funding requirements and viability. 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.

I trust the above and the attached representations by Morrisons will be taken into account in progressing the CIL Charging Schedule.

We look forward, with great interest, to the Council's response.

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130 282 This representation has been prepared in the context of the consultation that Southwark Council have launched in respect of their Community Infrastructure Levy: Viability Study (January 2013 and Draft IL Charging Schedule (February 2013). We are instructed by W.M. Morrison Plc. to make representations on their behalf.

#### Introduction

Aspinall Verdi Limited, Chartered Surveyors are property regeneration and development consultants with direct experience of advising both public and private sector clients with respect to development viability, S106 and planning gain matters. The firm has a thorough understanding of property markets, valuation and development economics and delivery.

This representation has been prepared by Atam Verdi, BSc (Hons) MRICS, Registered Valuer.

Atam is a founder Director of AspinallVerdi and has 20 years post qualification experience in the planning and development consultancy sector. He has been based in London and Leeds and has advised on projects throughout England.

This submission has been prepared with the support of Peacock & Smith town planning consultants to W.M. Morrison Plc.

For the purposes of these representations we have reviewed the following documents, prepared by or for Southwark Council:

1. Community Infrastructure Levy: Viability Study, BNP Paribas Real Estate, January 2013
2. Southwark's Community Infrastructure Levy: Draft CIL Charging Schedule, Southwark Council, February 2013
3. Southwark Council Regulation 123 List

#### General Comments

Prior to making specific comments in response to the consultation questions that have been raised we draw attention to the following:

1. The council has published a draft Regulation 123 list for comment. Further information about residual s106 assumptions are set out in the CIL background paper. The council considers that appropriate s106 assumptions have been factored into the viability appraisals. In retesting the impacts of the viability of CIL on development, the expectation about the level of residual s106 obligations has been increased from £1000 per home to £1500 per home. Residual s106 obligations for retail have been maintained at £30 per sqm.

2. The request to be heard at the hearings is noted.

1. The interrelationship of CIL and site specific S106 is critical to the commercial viability of larger development and regeneration projects such as food stores. In many cases the food store is linked to a wider development scheme or masterplan involving other uses and infrastructure such as roads. Therefore the preparation and inclusion of infrastructure elements to the Regulation 123 List needs to be clearly defined and understood to avoid double counting. Typical 'site specific' S106/S278 costs that will be outwith the Regulation 123 List should be factored into the CIL Viability Modelling. This approach has been specifically covered in DCLG's CIL Guidance document dated December 2012 Pages 21 to 23.

2. Request to be heard. Should any changes be made to the CIL Charging Schedule in relation to Use Class 'A' across the Authority boundary, then we would reserve the right to make representations and be heard.

130 283 Specific Comments

The following specific comments have been made referring to the paragraph numbers in the CIL: Viability Study Report.

Para 2.16

The viability study states "Developments in Southwark range from small infill sites to major regeneration schemes..." From examination of the Development Appraisals only a few of the appraisals make cost allowances for demolition and none make any allowance for site preparation and remediation – whilst it is clear that they are in industrial type uses.

Given that Southwark is general developed and that all development will come forwards in brownfield land any development will incur significant costs – especially high levels of preliminaries which are completely absent from the analysis. Such costs would be an additional 15% and nearer 20% in this urban context.

Section 4 of the Viability Appraisal 2013 recognises that exceptional costs can be an issue for development viability on previously developed land. Exceptional costs relate to works that are 'atypical', such as remediation of sites in former industrial use and that are over and above standard build costs.

However, for the purposes of this exercise, it is not possible to provide a reliable estimate of what exceptional costs would be, as they will differ significantly from site to site. The viability analysis therefore excludes exceptional costs, as to apply a blanket allowance would generate misleading results. An 'average' level of costs for decontamination, flood risk mitigation and other 'abnormal' costs is already reflected in BCIS data, as such costs are frequently encountered on sites that form the basis of the BCIS data sample.

130 284 Paras 3.5 & 3.6

We would support this assertion, where landowners consider that there is prospect of securing developments on their site that yield high value, their aspirations to secure higher land values will be prevalent. Landowners are likely to "hold out" until they have explored their potential returns fully and may not sell the site if the proposed returns are below their expectations. The current buoyancy of the land market (for food retailing) further augments expectations of high return; this

Support is noted. Further information on the methodology for carrying out the appraisals is set out in the background paper. Specifically, the methodology is consistent with guidance published by the Harman group June 2012, "Viability Testing Local Plans".

is particularly relevant for sites that have the potential for the delivery or retail schemes. Landowners will have recourse to the residual method of appraisal and will calculate the prospective land payment that they can negotiate from a developer. It is unlikely that they will adjust upwards an existing use value.

130 285 Paras 3.7 to 3.14

The HCA guidance and the planning appeal decisions mentioned refer to specific planning applications and not area or plan based policy formulation. With the planning appeal decisions it is possible to know the existing use value of a site and therefore the difference between this and development value.

We note that Benchmark Land Values have been used for residential appraisals and assumed Existing Use Values for commercial development.

We consider that this approach is somewhat arbitrary. In reality a developer would need to acquire a site of sufficient size to accommodate the development (especially a larger retail scheme) – including aspects such as landscaping, circulation and car parking. Allowances therefore should be made using a benchmark land value and assumed site size.

We note that BNP Paribas do not reference the RICS Financial Viability in Planning Guidance document (1st Ed. GN94/2012), which does set out an alternative to the approach selected by BNP Paribas.

Further information on the methodology for carrying out the appraisals is set out in the background paper. Specifically, the methodology is consistent with guidance published by the Harman group June 2012, "Viability Testing Local Plans".

130 286 Para 4.13

No account has been taken on the Mayoral CIL (£35 per sq m) in the financial modelling nor any sensitivity analyses. We would consider that it would have been appropriate to present "net" figures as the Mayoral CIL will impact on development viability.

In retesting the impacts of CIL on viability we have included Mayoral CIL as a cost in the appraisals.

130 287 Para 4.21 & 4.22

Details of the benchmark land values are provided for each development in Appendix 3. Benchmark land values appear to have been calculated on a site-by-site basis using rateable values (as at April 2008) plus a premium which ranges from 10% to 25%. There is no rationale given as to why the rateable values are considered appropriate (many of these may be subject to appeal); how the capitalisation yield that has been applied has been selected and indeed why has the level of premium been selected. As mentioned above this is an arbitrary approach with little value. We have already stated that the landowners themselves will undertake a residual method calculation to see what the developer would pay for that development opportunity.

Further information on the methodology for carrying out the appraisals is set out in the background paper. Specifically, the methodology is consistent with guidance published by the Harman group June 2012, "Viability Testing Local Plans". The methodology compares residual land value with existing use value. For a study of this nature, rateable values are a reasonable way of assessing existing use values. The Viability Study methodology has assessed the Existing Use Value of a site and applied a premium. The premium

**Obj-ector Ref**   **Rep. Ref**   **Details of Representation**

**Officer Response to Representation**

applied reflects the quality of the asset and demand etc in testing the viability of developments in the borough.

The council considers that the approach is proportionate to the task of preparing a CIL..

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130 288 Para 4.24  
The CIL rates are calculated based on a range of commercial rents and yields. However, no rationale or evidence is presented to justify the rental levels or yields adopted. The market commentary and presentation of comparable evidence is lacking this report. When combined with the site by site viability analysis – where rents and yields vary enormously, it is difficult to follow what assumptions are being made and why.

The Viability Report has been updated an a table setting out all assumptions on each site has been provided in an appendix.

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130 289 Para 4.25  
It is noted that BCIS has been used to derive build costs. We specifically comment that:

- BCIS provides a range of indices and it is not made clear which have been used (i.e. period, which type of development and indeed which location).
- It is not known whether the costs have been location adjusted to reflect the local market – BCIS permits this to be done.
- An allowance is made for meeting BREEAM ‘Excellent’. However, the level of that allowance is not evidenced.
- Such developments are likely to come forward on historic industrial sites and as a result, significant abnormal costs (i.e. decontamination) are not uncommon. Such costs need to be reflected in the appraisal.
- The appraisals make no allowance for securing vacant possession nor any site assembly that could be required. This would involve significant costs and risks (as well as finance) and these aspects are absent from the development appraisals.

With regard to exceptional costs, for the purposes of this exercise, it is not possible to provide a reliable estimate of what exceptional costs would be, as they will differ significantly from site to site. The analysis therefore excludes exceptional costs, as to apply a blanket allowance would generate misleading results. An ‘average’ level of costs for decontamination, flood risk mitigation and other ‘abnormal’ costs is already reflected in BCIS data, as such costs are frequently encountered on sites that form the basis of the BCIS data sample. The built form of a building addresses flood risk etc and the cost multiplier in the BICS reflects this. Costs of dealing with abnormal ground conditions are addressed on average through piling solutions, which are reflected in BCIS.

The allowance for BREEAM and the Code for Sustainable Homes reflects the findings of the Cyril Sweet study on the cost of implementing CfSH.

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130 290 Paras 4.27 & 4.28  
We note for the Crossrail Section 106 charge, however inspection of the development appraisals does not make it clear how or where this significant additional cost has been taken into account.

Paragraph 4.27 of the Viability Study, January 2013 states that both Mayoral CIL and Crossrail s106 obligations have been taken into account in

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This needs to be checked and clarified.

Further

- The clarification on the approach to Crossrail Section charge needs to be addressed. The existing statement makes little sense.
- For a large foodstore such costs could be in the order of £0.5m for Section 106 and £0.5m for S278. This is significantly above the levels advocated in the viability study. No evidence is provided to support this lower level. It would be appropriate to apply the higher level typically experienced by our client (including pro rata allowances) unless the level advocated by the Council can be evidenced.

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setting the charging rates.

Further information about residual s106 assumptions are set out in the CIL Background Paper. In retesting the impacts of CIL on viability, we have increased the expectation of residual s106 obligations from £1000 per dwelling to £1,500 per dwelling, in line with typical s106 planning obligations negotiated in recent years.

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130 291 Paras 6.18 – 6.24

We have examined the development appraisals which have been provided at Appendix 4. The following comments must be taken into consideration

1. There is insufficient information provided to properly comment on these appraisals. Whilst it is to be commended that this site by site approach has been undertaken we note that most of the developments are mixed use and the approach of apportioning existing use value on an area basis is formulaic and arbitrary. We consider that the approach needs to be reviewed.
2. There has been no allowance for costs which would be reasonably incurred when developing sites in an inner London area; these include
  - a. Preliminaries
  - b. Extra over costs for working on tight sites with neighbours in very close proximity (possibly requiring additional costs and restricted working hours)
  - c. No demolition or site preparation allowances have been made
  - d. Sites that will have larger destination retail such as foodstores will need site assembly and as such require relocation costs to be paid of those businesses/individuals present to secure vacant possession – again no allowance for such costs has been made
  - e. No allowance has been made for planning fees
  - f. We consider that for mixed use and larger schemes professional fees should be in the order of 12-14%
  - g. We note in one of the appraisals that no profit has been applied?
  - h. The timing of the development is not known and we cannot therefore comment specifically. However with larger complex development the lead in period to assemble a site, secure planning

Exceptional costs

For the purposes of this exercise, it is not possible to provide a reliable estimate of what exceptional costs would be, as they will differ significantly from site to site. The analysis therefore excludes exceptional costs, as to apply a blanket allowance would generate misleading results. An 'average' level of costs for decontamination, flood risk mitigation and other 'abnormal' costs is already reflected in BCIS data, as such costs are frequently encountered on sites that form the basis of the BCIS data sample. The built form of a building addresses flood risk etc and the cost multiplier in the BICS reflects this. Costs of dealing with abnormal ground conditions are addressed on average through piling solutions, which are reflected in BCIS.

In the council's view, professional fees of 10%-12% reflect the market and live situations.

For the purposes of the study, BNPP have needed to make reasonable assumptions around the timescales for implementing development. These timings were made available to BL/Aviva in the live

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|----------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      |             | <p>and vacant possession can take several years (or considerable amounts of money) – we believe that that has not been considered.</p> <p>i. The rental and yield assumptions vary significantly and there is no explanation nor justification for this.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>appraisals.</p> <p>Demolition costs have been included in the appraisals where relevant.</p> <p>The appraisals have been rechecked to ensure that the correct profit assumptions have been applied.</p> <p>The approach of apportioning existing use value is considered to be appropriate. On the largest sites at E&amp;C (in the DIF study) and Canada Water (the appraisals which accompanied the AAP) the council has considered both individual elements of a scheme as well as the totality of a scheme.</p> |
| 130                  | 292         | <p>Para 6.20</p> <p>The distinction between occupiers cannot be applied to all development coming forwards. Local tenants or less strong covenants would thereby be greatly discouraged by the CIL charge. The focus of setting the CIL charge on the basis of operators with greater covenant strength may lead to a situation where the levy prevents development of certain types and development by operators with weaker covenant strength and thus undermines the delivery of aspects of the development plan.</p> <p>We do not disagree that destination shopping developments might come forward on sites which have lower existing use value. However, the costs and delays associated with site assembly, combined with land owner expectations of high return from destination shopping development serve to reverse the lower existing use value and create an enhanced market or current use value.</p> | <p>The paragraph is not making a distinction but commenting on a fact that the value which the investment market ascribes to units in shopping malls is high and that yields tend to be lower.</p> <p>As the Mayoral CIL planning inspector noted, CILs may impact on land owner expectations of return. The CIL study takes into account reasonable expectations of return.</p>                                                                                                                                       |
| 130                  | 293         | <p>Summary and Conclusions</p> <p>We are pleased to have been given this opportunity to comment and would hope that this will be repeated at later stages of the process. The work undertaken to date has been substantial, however, in our view makes several optimistic assumptions and significant omissions. This work needs to be revisited and a major revision must take place, otherwise future development prospects for economic regeneration of the Borough could be severely prejudiced. Further work and revisions are needed in order to reflect market characteristics more accurately, as follows:</p> <p>1. The EUV needs to be reconsidered as the most appropriate measure for calculating the Benchmark Land Value. Market evidenced, benchmark land values need to be given more</p>                                                                                                            | <p>Noted. In its response to detailed objections made by WM Morrison, the council has responded on all points.</p>                                                                                                                                                                                                                                                                                                                                                                                                     |



emphasis.

2. The allowance given to Section 106 / Section 278 is considered insufficient. Such charges should reflect evidentially based allowances and would be incurred to deal with "local" issues.
3. The build costs should be reviewed – BCIS should be revisited. The levels mentioned above are confirmed by our clients Quantity Surveyors.
4. We would support the use of at least 12% professional fees given the complexity of destination retail developments.
5. No allowance has been made for planning fees / costs. Such costs can be considerable.
6. Cost allowances need to be made to reflect the urban, regenerative nature of development that takes place across Southwark. Currently the development appraisals do not reflect reality and the Council risk harming future development coming forwards.
7. The CUV value calculations / rationale for arrival at these figures is missing. We would recommend that these be included so that a key aspect of the CIL calculation is clearly evidenced.

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131 278 Community Infrastructure Levy

Thank you for your email of 20 February consulting The Theatres Trust on the CIL Draft Charging Schedule.

We note in the Schedule that 'All other uses' are charged at £30 and assume this includes your non-retail sui generis theatres.

Theatres are sui generis due to the unique nature of their use, access requirements, and construction, and make a positive contribution to the provision of an arts' offer, and their development makes a positive net contribution to London's cultural infrastructure, especially for inner London and its tourist attractions.

We note that libraries, hospitals and schools are nil rated and theatre uses are also generally unable to bear the cost of CIL for viability reasons. The Theatres Trust recommends either the setting of a nil rate, the application of charitable or discretionary reliefs, applying D1/D2 rates where differential rates are proposed, or recycling the charge to the theatre development where a single rate is proposed.

However, Regulations 43-48 of the Community Infrastructure Regulations (2010) considers the exemptions for charities. Most developments of theatre buildings in the Borough will be led by charity landowners, developers or will be charities that have material interests in the land or property. Given that most theatres are charities we strongly recommend that the document

We have set out in the supporting background paper details on applying for charitable relief. The proposed £30 CIL rate for 'all other uses' is supported through the evidence within the CIL viability study (2013).

specifically provides guidance that relief is available for charitable institutions as defined in regulation 41 of the Community Infrastructure Regulations (2010). This will guide developers of theatres to make an application for charitable relief according to regulation 47.

140 436

I request the right to be heard at the Examination in Public. I wish to be kept informed at each stage of the process.

I would like to make the following key points at this stage, and to elaborate on these in my written statement.

1. The Charging Schedule should have a greater differential between large retail developments and small retail. This could be achieved by increasing the charge at the top end and tapering down to a zero charge for small independent shops.
2. All development types (except those that are zero charged) should have a higher charge rate than proposed in order to help bridge the large infrastructure funding gap. This is viable given the low % of development costs that is taken by CIL.
3. The Regulation 123 list gives too much priority to transport infrastructure (with specific schemes listed) and too little attention to community infrastructure (apart from Local Authority sports projects, no specific schemes are given priority).
4. The 123 list reduces green infrastructure to the major district parks, and does not take forward the implementation of the new Open Space Strategy nor the Biodiversity Action Plan.
5. There is no reference to employment and training, when there is huge need.
6. The Infrastructure Plan leaves out previous infrastructure studies on the need for investment in community halls, community space and faith premises. It has not utilised appropriate available evidence.
7. There are inadequate references to how neighbourhoods can choose what infrastructure they need, given the danger that CIL might be used for a few mega projects. There should be reference to the neighbourhood portion of CIL and its delivery via neighbourhood forums or other community led mechanisms, particularly how decision making on CIL spending will be devolved to local communities.

We have acknowledged the request to be heard at the examination and will inform all consultees of the process going forward. In response to the points made, following the previous consultation on the Draft CIL Charging Schedule, further viability testing has been undertaken and the CIL Viability Study and supported CIL background evidence paper have been updated in response to this further work. We have also prepared a draft Section 106 Planning Obligation/Community Infrastructure Levy SPD which will be consulted in parallel with the revised Draft CIL Charging Schedule. This sets out further detail on the relationship between CIL and section 106.

8. It is unclear how Southwark CIL will deliver a wide range of infrastructure that contributes to sustainable development; especially given the predominance of mega transport projects.

9. The evidence base fails to assess the impact of CIL on s106 and particularly on affordable housing. Does Southwark anticipate CIL will reduce the amount of affordable housing that is actually delivered? Will affordable housing requirements as currently set out in the Core Strategy be reduced in the new Southwark Local Plan; especially given that affordable housing is vulnerable to site by site negotiations about viability? In my view, Southwark has not applied itself to the very big danger that affordable housing is being jeopardised.

10. Does Southwark anticipate CIL will entirely replace s106 in funding the delivery of community and other infrastructure? Existing s106 tariffs will be withdrawn upon adoption of the CIL. The consideration of a revised s106 Planning Obligations SPD should be discussed publicly ahead of the CIL Examination.

11. It is unclear whether CIL payments will be made in full at the commencement of development or paid in instalments.

12. It is unclear if there is evidence that account has been taken of CIL charges in neighbouring boroughs and the Mayor's CIL.

13. Has consideration been given to the Mayor's emerging Shaping Neighbourhoods SPG which provides policy guidance on social infrastructure?

14. There is inadequate evidence that Southwark has taken a longer term view. Focussing too much on the short term and on mega transport projects will mean that developments are not acceptable in planning terms.

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154 274 Thank you for consulting English Heritage on the Draft Community Infrastructure Levy Charging Schedule. As the Government's Statutory Advisor on the Historic Environment, English Heritage welcomes the opportunity to comment on this document.

English Heritage recognises the importance of Community Infrastructure Levy (CIL) as a source of funding to deliver the infrastructure necessary to support the Borough's development.

We would wish to ensure that the Council's Infrastructure Delivery Plan recognises the historic environment as a recipient of CIL. This can come in the form of new infrastructure being delivered in an area of historic interest, especially where it is defined as a heritage asset (e.g. conservation

The borough has a rich and varied heritage landscape. We acknowledge that a heritage asset can be a landscape, place, building, monument or feature (as defined in the NPPF) that has been identified as having special architectural or historic interest. Heritage assets in the borough range from nationally and locally listed buildings to ancient monuments and sites, and include Conservation Areas. These assets are in varying states of repair and should be both preserved and enhanced by the council and its public and private

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area of setting of a listed building). As part of the Council's implementation of a positive strategy for the historic environment (as expressed by para 126 of the National Planning Policy Framework (NPPF)), we would wish to ensure that where opportunities exist, a portion of CIL is directed in a manner that enables the enhancement of the historic environment. For example, this could come in the form of the application of good design that responds to the significance of heritage assets, through quality public realm improvements, better interpretation material/methods of the surrounding historic environment, and new developments and infrastructure.

partners. Southwark's Core Strategy recognises the need to protect and conserve the historic environment throughout the borough, through the application of Strategic policy 12 – Design and Conservation.

CIL funding can be used to enhance and increase the capacity of the borough's historic infrastructure, such as historic parks. The Infrastructure plan (IP) identifies public realm improvements, and we have added additional reference in the IP to recognise the importance of heritage landscape in the borough.

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154 275 In addition 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. For example, it is recognised that when calculating the appropriate level of charge for CIL that the economic viability of development needs to be considered. Many of the sites that do come forward either contain heritage assets or are part of a heritage asset (e.g. conservation area) or will have an impact upon the setting of heritage assets. With this in mind we would seek to ensure that the calculations proposed consider the impact of the charges proposed upon the significance of heritage assets, in the context of the level of development required to be delivered to make schemes viable. Our concern is that significance of heritage assets could be compromised unless the economic viability of schemes are considered in the round of delivering sustainable development, in line with the NPPF. To ensure that the management of the historic environment is delivered in a sustainable manner, zones focused on concentrations of vulnerable heritage assets, could be introduced where the level of CIL charge is reduced. This approach could then help enable the regeneration and enhancement of heritage assets.

The Council recognises the importance of enhancing and protecting heritage assets in the borough and seeks to do so in the Core Strategy and other planning documents.

The CIL viability study does not include in depth analysis of viability regarding heritage assets as this was not seen as having a significant impact on development taken as a whole across the borough. It is very unlikely that CIL will prevent the safeguarding of historic assets.

More importantly we would suggest that where sites include Heritage at Risk Assets that the charging schedule offers discretionary relief from the need to make a CIL payment. This approach would reflect CIL Regulations (2010), paragraphs 55 - 58, which provides for charging authorities to offer discretionary relief from CIL for a chargeable development in exceptional circumstances. Our argument is that by offering this relief the heritage-led regeneration of these valued and in need assets could be brought back into active re-use. This approach would also help deliver the NPPF's requirement for a positive strategy for the conservation and enjoyment of the historic environment including heritage assets most at risk (paragraph 126)

The CIL Viability study has reviewed a large number of development sites across the borough, including within conservation areas. We do not consider it necessary to identify areas where there is a concentration of heritage assets in order to introduce a zone where the level of CIL charge is reduced. Such areas, for example conservation areas, are typically the focus of refurbishment schemes which do not involve a significant increase in floor area and therefore would not attract CIL.

As a result of the conditions set out in the CIL Regulations, exceptional circumstances relief can only be granted on limited grounds. The council has already taken into account development viability when proposing CIL rates. Exceptional Circumstances Relief can be introduced outside the Charging Schedule framework. In view of these factors the council does not intend to introduce an exceptional circumstances policy but will keep this under review.

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154 276 Conclusion  
We hope that these comments prove useful in developing the Charging Schedule for the CIL. We look forward to discussing any of the points raised.

In the meantime, English Heritage would strongly advise that the local authority's conservation staff are involved throughout the preparation and implementation of the CIL Charging Schedule as they are often best placed to advise on; local historic environment issues and priorities; sources of data; and, consideration of options relating to the historic environment.

Finally, it must be noted that this advice is based on the information provided by you and for the avoidance of doubt does not affect our obligation to advise you on, and potentially object to any specific development proposal which may subsequently arise from this or later versions of the CIL Charging Schedule, and which may have adverse effects on the historic environment.

Southwark's Design and Conservation staff have been consulted on the development of CIL and also the draft section 106 Planning Obligations/CIL SPD and will continue to provide advice on the historic environment in relation to individual developments.

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161 354 I write on behalf of our client UNITE Group plc in respect of the above and further to CgMs' representations in October 2012 regarding the Preliminary Draft charging schedule. Our representations briefly detail the relevant planning policy context and subsequently review the Council's amended viability assessment in respect of student accommodation provision mindful of this.

Relevant Legislation/ Planning Policy

Department for Communities and Local Government (CLG) have issued updated guidance regarding the Community Infrastructure Levy (CIL) in December 2012. Paragraph 4 requires the charging authority to consider relevant national planning policy (including the NPPF) when drafting a charging schedule.

Paragraph 8 confirms a balanced judgement between the introduction of CIL and its impact upon

The council considers that the proposed CIL rates complies with relevant legislation. Further details are set out in the CIL Background Paper.

development is required and that in meeting this test LPAs must have regard to NPPF (Paragraph 173-177) demonstrating the ability to implement the development objectives of the Local Plan should not be threatened. Paragraph 9 requires the LPA evidence to demonstrate the proposed rates would not threaten the delivery of the development plan as a whole.

Paragraph 21 requires the charging authority to demonstrate how the proposed CIL rate(s) will contribute towards the implementation of the development plan and support development across their area. It further requires that the potential effects of the proposed levy on the economic viability of development.

Paragraph 22 notes the background viability evidence should provide information regarding the level of development contributions previously raised through comparable S106 agreements.

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161 355 Student Accommodation Viability – Introduction

An essential component of the CIL Regulations is to ensure that the proposed charging schedule rates are considered viable and that the levy does not prejudice the implementation of the development plan. This means the landowner has to be willing to sell a site and the developer in turn is willing to implement an approved development scheme. Core Strategy Strategic Policy 8 is a fundamental element of the development plan which seeks to meet identified need for both student and affordable housing. Setting a CIL rate that is adjudged to be excessive will prejudice delivery of the Core Strategy objectives and policies. To ensure this strategic policy is met the CIL rate needs to be realistic and which balances infrastructure need and desirability of introduction of CIL against the potential impact upon development in doing so (Regulation 14). This would also ensure the schedule also complies with Paragraph 173 of the NPPF.

The capitalised value of a student accommodation rental scheme is judged through an assessment of the development yield – i.e. the net rental income likely to be achieved based upon forecast rent levels and occupancy. Whilst the conventional housing viability data is tested against residential development values, no specific assessment within the draft charging schedule is made for student accommodation.

Viability Assessment – Principal Issues

In order for the proposed CIL figure to represent accurately student accommodation scheme viability, independent analysis of student accommodation is required. The viability assessment as set out is flawed for a number of reasons: -

1. Only 3 schemes with student accommodation are appraised from a total of 49 (Site References

The CIL viability study has been reviewed and further student accommodation developments have been tested. A range of rent levels have been tested including both market rents (direct let) and university rents (nomination). The council's viability appraisals show that while the former can generally support CIL and affordable housing, the latter require cross-subsidy to make them viable. Many nomination schemes are built by universities on land on which the university is the majority landowner and in such instances universities are able to use their charitable status to apply for CIL relief. In addition, we are proposing an option which will give nomination schemes the chance to benefit from a nil charge where there are prepared to hold rents below a certain level. This would need to be agreed under a section 106 obligation.

- 11, 19 & 42b).
2. Rental levels are assumed to be between £215 - £449 per week.
3. The expected Profit Level is inaccurate and does not reflect market conditions.
4. The Viability Evidence assumes all schemes with subsidised rent will be developed where university is majority landowner and therefore are CIL exempt.
5. The increase in financial contribution required between previously secured S106 contributions and forecast CIL payments is disproportionate.
6. Strategic impact on delivery

I refer to specific issues in further detail immediately below. Point 1 was previously raised within CgMs' initial representations. Whilst the assessment of an additional student accommodation scheme is welcomed, no current, independent testing of student accommodation viability is provided. The issues below demonstrate why this is necessary.

#### Rental Levels

The purpose built student accommodation market is evolving however this is not reflected in the viability assessment. Firstly, the market for international students which has typically generated higher rental levels and principally for studio accommodation has altered. Principal demand now arises from the UK market, however this is increasingly price-sensitive when compared to the international market. Mindful of a number of wider, on-going changes in the student accommodation market, including the Brown Review and subsequent legislation increasing university fees for English students, this has had the direct result that students are seeking more affordable accommodation.

The market response is a reduction in rental levels. Therefore reliance on rental levels historically achieved does not form a sound basis upon which to measure likely scheme viability. Accommodation at reduced rental levels is expected to comprise the majority of future accommodation provision to meet changing market requirements.

Market analysis will demonstrate reduced rental levels have a direct impact upon scheme viability and as a result the proposed charging levels for student accommodation cannot be supported. Mindful of the issues raised above, the charging schedule therefore requires amendment to account for the changing rental values likely to be achieved.

#### Profit Levels

The Council's response noting student accommodation "carries significantly less risk than other forms of development, with a plentiful demand from investors to buy completed developments, backed by considerable demand from students to rent the accommodation" is considered wholly inaccurate. Student accommodation schemes rely upon rental receipt to generate income,

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however guaranteed long-term rental income on direct-let purpose built schemes is difficult to provide, which is bespoke to student accommodation. Financial institutions and investment vehicles require a fixed profit stream on which to mitigate lending risk. This varies considerably from speculative office or hotel development which can secure long-term pre-lease agreements, thereby guaranteeing rental income. As a result of this increased risk level a higher profit margin than that considered in the Council's Viability Assessment is associated with student accommodation. The Council have failed to justify this assumption through detailed evidence within the Viability Assessment.

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161 356 University/Charitable Exemption

The viability evidence assumes that all student accommodation schemes delivered in the borough with suppressed rental levels will be university-led. However recent planning approval reference 11/AP/0868 comprises joint developer and University applicants with the developer comprising majority landowner and the development agreement ensured a subsidised rental level was secured. This was enforced through a rigorous S106 mechanism. This proposal would be CIL liable mindful of the applicant status, however the Council's Viability Assessment assumes such subsidised rental schemes are not CIL liable. Mindful of the scheme example above and of lower rental levels likely to be achieved generally (as above) this approach is therefore flawed and cannot be supported.

The council recognises that there are two types of student accommodation, nomination and direct let. The council's viability appraisals show that while the latter can generally support CIL and affordable housing, the former require cross-subsidy to make them viable. Many nomination schemes are built by universities on land on which the university is the majority landowner and in such instances universities are able to use their charitable status to apply for CIL relief. In addition, we are proposing an option which will give nomination schemes the chance to benefit from a nil charge where there are prepared to hold rents below a certain level. This would need to be agreed under a section 106 obligation.

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161 357 CIL & S106 Relationship/ Comparable

The table below provides a comparison of various schemes approved by London Borough of Southwark with agreed S106 financial contributions against the payment required by the proposed Southwark CIL. In addition to the significant increase in financial contribution, future student accommodation schemes are liable for affordable housing provision. The adopted development plan does not impose this requirement upon office and hotel proposals. Further, student accommodation shoulders a disproportionate percentage increase when compared to S106 agreements and within context of office and hotel proposals. This is clearly demonstrated within the table below.

We have undertaken a review of s106 obligations undertaken in the last two years and consider that the assumptions included in the CIL viability study are justifiable. There is further information available in our background paper.

Insert table

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161 358 Strategic Impact

The council recognises that there are two types of



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Significant increases in financial obligations attached to student accommodation permissions in the London Borough of Southwark will constrain supply as development viability is undermined. The move toward reduction in headline rental figure and reduced scheme viability combined with the typical financial obligations significant increases as outlined above, will prejudice delivery of student accommodation across the Borough. This conflicts with London Plan Policy 3.8 regarding meeting specialised housing need and also with Southwark Core Strategy Strategic Objective 2C which states “There will be a choice of housing types including more family housing, housing for students and more affordable housing.” Core Strategy Strategic Policy 8 supports provision of student accommodation to meet the identified significant need (GLA SHLAA 2009, London Plan Policy 3.8). As Policy 8 further requires an element of affordable housing as part of student schemes, the proposed CIL rate will also prejudice supply of this identified housing need.

In terms of the impact upon infrastructure delivery a reduced CIL rate will still allow appropriate contributions towards the overall infrastructure fund required by the Council to meet identified need. This is reflected within the Inspector’s Report regarding the examination of the East Devon Draft Charging Schedule which states “the purpose of CIL is not necessarily to provide full funding for all infrastructure but to contribute towards bridging the gap between available funding and infrastructure costs. The latter will still be achieved with the lower rate proposed”.

It is clear that in striking a balance between desirability of introducing CIL to meet infrastructure need and assessing the impact upon development, the Council are required to review the strategic impact upon development delivery across the borough. Mindful of the policy requirement within Policy 8, delivery of two key areas of significant housing need in Southwark and across London are potentially prejudiced by the proposed rate for student accommodation.

student accommodation, nomination and direct let. The council's viability appraisals show that while the latter can generally support CIL and affordable housing, the former require cross-subsidy to make them viable. Many nomination schemes are built by universities on land on which the university is the majority landowner and in such instances universities are able to use their charitable status to apply for CIL relief. In addition, we are proposing an option which will give nomination schemes the chance to benefit from a nil charge where there are prepared to hold rents below a certain level. This would need to be agreed under a section 106 obligation.

The council recognises that CIL will not pay for all the infrastructure required to support growth. By way of example, the infrastructure to be provided at Elephant and Castle comprising improvements to the northern roundabout and access to the northern line station amount to £149m. The proportion of this this than comprises actual mitigation is £106m i.e. that is the minimum required to support growth in homes, including student accommodation. CIL will not raise sufficient funding even to pay for this one piece of infrastructure required to support growth and mitigate impacts of development.

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161 359 Viability Assessment – Further Issues

Two further issues are relevant: -

- (i) Discretionary Relief
- (ii) Phased Payment

I refer to each issue in turn, immediately below: -

At this stage the Council does not wish to offer Discretionary Relief. As the Mayor of London has published his instalments policy for CIL the Council will rely on that to start with and review the impacts of it in the first 2 years. The Council will test further Student accommodation types and rates.

(i) Discretionary Relief

Regulation 55 (as amended by the 2011 Regulations) confirms a charging authority may grant relief ("exceptional circumstances") from liability to pay CIL in respect of chargeable development if:

(a) it appears to the charging authority that there are exceptional circumstances which justify doing so; and

(b) the charging authority considers it is expedient to do so. However exceptional circumstance relief can only be granted where: -

- (a) The LPA has opted to make exceptional circumstance relief available;
- (b) A planning obligation under S106 has been entered into; and
- (c) The Charging Authority considers that the cost of complying with the planning obligation is greater than the CIL amount payable and it would have an unacceptable impact upon economic viability.

Regulation 56 requires the Council to publish their intention to offer exceptional circumstances relief prior to implementing this.

Mindful of the future student accommodation pricing model and impact on scheme viability as referred above, it is considered necessary for the Council to offer this relief within an amended Charging Schedule, where no reduction in the proposed student accommodation levy is proposed. This would allow a degree of flexibility for applicable schemes, particularly those where rental levels are suppressed. Without this, the proposed charging schedule in respect of student accommodation is unviable and which would prejudice student accommodation delivery, as referred above.

(ii) Phased Payment

The Council's commitment to consultation regarding introduction of a phased payment system is supported.

Conclusion

The proposed levy on student accommodation has not been adequately tested by the Council and notwithstanding this, the assumptions made in determining viability cannot be justified. It is therefore demonstrated that the proposed levy is unviable and requires reduction in order to ensure delivery of this specialised form of accommodation across Southwark is not prejudiced.

I trust the above will be taken into account during examination of the Borough's draft CIL Charging Schedule. Please do not hesitate to contact either my colleague Matthew Roe or me should you have any queries or require any further information.

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166 379 WCDG is funded by Lambeth Council to consult the local Waterloo community on redevelopment proposals and make representations as appropriate.

Support noted.

We write in response to the draft charging schedule set out by the London Borough of Southwark and we consider three main principles that are key to the appropriateness of the figures: first we consider the approach adopted by the borough; secondly we consider Viability Issues and finally we consider the relationship with S106.

Approach taken by the London Borough of Southwark:

Legislation seeks to ensure that charging schedules are not merely a list of infrastructure items needed to support development, but are the result of balancing the desirability of funding such infrastructure from CIL against the potential effects of the charge on the economic viability of development in the authority's area.

We welcome the general approach that Southwark have taken in assessing the proposed levels of CIL. The approach to testing viability appears detailed.

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166 380 Viability issues and state aid

Article 107 of the Treaty on the Functioning of the European Union does not specifically define State Aid but includes the qualification "in any form whatsoever". Paragraph 40 of the CIL statutory guidance advises that the responsibility for ensuring that CIL schedules are State Aid compliant rests with the charging authority. To be compliant a CIL charging schedule needs to be clearly based on viability considerations.

The statutory Community Infrastructure Levy Guidance - March 2010 warns that complex patterns of differential rates run a greater risk in relation to State Aid and that any charging schedule should not impact disproportionately on a particular sector or small group of developers. We accept the benefit in an element of differential rates and accept that some uses will be more viable than others and that this also will vary depending on the location therefore that there will be a greater ability for certain schemes to pay more CIL in some areas than others. Southwark has significantly varied land values across the borough.

With regard to neighbouring boroughs proposed CIL rates, we considered that the proposed CIL rates for Southwark are broadly comparable.

Following further viability testing, we are now proposing some changes to the Draft CIL Charging Schedule. A summary of the proposed changes are set out below.

- Residential zone 1: maintain the £400 per square metre charge but move the eastern boundary to include Shad Thames.
- Residential zone 2: delete this zone by splitting it between zone 1 and the zone which includes Canada Water, Bermondsey and Elephant and Castle.

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We acknowledge the amendments made to some of the proposed charging rates that the council has made since the preliminary draft charging schedule following consultation. The proposed boundaries are also still in our view a matter of debate and might be informed by the more detailed analysis. It is important to ensure that consideration is duly given to borough boundaries as well as the policy boundaries, including opportunity areas and action areas and to see how the differential rates change into neighbouring boroughs at borough boundaries. For instance, Southwark's zone one on the east side is bounded by Lambeth's zone A, both of which are proposing the highest CIL rates. Whilst different boroughs run along the river, often communities do not have such fixed boundaries so careful consideration must be given to how CIL varies across borders.

- Residential zone 3: change to 'zone 2' and reduce the charge from £250 per square metre to £200 per square metre.
- Residential zone 4: change to 'zone 3' and maintain the charge at £50 per square metre.

These revised CIL rates for residential development are comparable with neighbouring boroughs which have published rates. Lambeth is proposing charges of £265/£150/£50; the City is proposing £150/£95; Tower Hamlets is proposing £200/£65/£35. Wandsworth has adopted a CIL of £250 p/sqm across the borough, with a £575 p/sqm charge in Vauxhall and Nine Elms (which has a much lower affordable housing requirement than Southwark

Most boroughs have differentiated rates for office space. The charge proposed in zone 1 in Southwark is similar to the rates proposed by other boroughs in their main office areas. These include: Lambeth (£125); the City (£75); Tower Hamlets (£120/£60); Wandsworth (£100) and Croydon (£120).

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166 381 CIL: The Meaningful Proportion & relationship to S106

CIL is not site-specific and can therefore be raised in one part of Southwark and spent in another. The Government has suggested that "a meaningful proportion" should still be spent locally to the development paying the CIL. The government has recently confirmed that the "meaningful proportion" will comprise 25% of CIL funding in areas where there is an adopted neighbourhood plan in place and 15% elsewhere. The definition of local areas and their defined boundaries should be regularly reviewed and consulted on. The community infrastructure project list needs to be reviewed regularly in accordance with legislation, to ensure that it reflects local needs.

Whilst we appreciate that s106 is still there to secure money to mitigate against site specific impacts, the scope for S106 by law is being significantly scaled back. There should also be clear guidance set out by Southwark Council as to what they expect to still charge through S106

Noted. The council will consult shortly on a draft s106 planning obligations SPD. This will set our proposals for how the "meaningful proportion" will be implemented.

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agreements for clarity and to ensure that there is no double or triple dipping. In addition, it is a widely held view in the development industry that considering S106 is negotiable unlike CIL, the amount of money raised through S106 for site specific mitigation and affordable housing will be significantly reduced and squeezed.

The charging schedule and infrastructure list should therefore be consistently monitored and reviewed on a regular basis, in accordance with government guidance and legislation and a protocol for governing expenditure should be prepared.

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175 312 We write in order to make comment on the above named document. Please note that we act on behalf of the London Fire And Emergency Planning Authority (LFEPA) and that this representation is made on their behalf. For your information the following LFEPA sites are within the borough:-

- □ Dockhead Fire Station – 8 Wolseley Street, SE1 2BP.
- □ Old Kent Road Fire Station – 405 Old Kent Road, SE1 5JH.
- □ Peckham Fire Station – 78/80 Peckham Road, SE5 8PR
- □ Southwark Fire Station – 94 Southwark Bridge Road, SE1 0EG.

LFEPA also own the freehold interest in Southwark Training Centre (94 Southwark Bridge Road, SE1 0EG) and a long leasehold interest over the adjoining Grotto Place Playground site (1/17 Sturge Street, SE1).

We note that 'All other uses', within which category a new fire station would fall, carries a levy of £30 per square metre across the borough. As fire stations are a vital community safety facility, we believe that they should be excluded from payment of this levy. We note that the CIL Viability Study Technical Report, undertaken by BNP Paribas Real Estate, does not refer to any Sui Generis use within the borough (under which use a fire station falls) and the viability of a fire station development does not appear to have been investigated. Payment of such a levy would have a substantial negative impact on the viability of a new fire station development. We therefore request that particular reference to this use be included within the schedule, with a nil levy allocated to it.

The reasoning behind this is that fire stations are community safety facilities, which are included within the wider definition of 'infrastructure' under the Planning Act 2008. Therefore, any new development including the provision of a new fire station, will already be making a substantial

Our approach to Fire Stations is consistent with that of the Mayor of London and with other London Boroughs, such as Croydon and Lewisham.

Having had regard to further viability evidence, we are proposing to reduce the charge for 'all other uses' to £30 per square metre across the borough.

The infrastructure plan has been updated to reflect the proposed redevelopment of the Dockhead and Old Kent Road fire stations.

Aside from the schemes at Dockhead and Old Kent Road that are being funded via the PFI programme, no future schemes have been identified to address projected growth in the borough. Based on available evidence, there is no requirement at this time to stipulate that CIL receipts will be required to fund infrastructure related to the fire service.

We would welcome further dialogue with the LFEPA in future should the need for new facilities to meet growth in Southwark be identified.

contribution to the infrastructure which CIL is designed to fund. Furthermore, CIL payments will effectively result in double counting, impacting on the viability of a scheme which involves a new fire station within a development. For example, LFEPA are in the process of redeveloping their Dockhead and Old Kent Road fire stations as part of a significant rebuild programme for nine stations, under the Private Finance Initiative (PFI). The Mayor's CIL had a serious impact that project.

In addition to the above, we request that consideration should be given to the use of CIL funding for any future LFEPA fire safety and community facilities within the borough. Please note that LFEPA do not currently receive any Section 106 contributions, despite having requested them in the past via planning framework representations.

We trust that the above is clear and confirm that we do wish to be notified of all progress relating to this matter. We would also like to request to be heard by the CIL Examiner at the forthcoming public examination. In the meantime, please do not hesitate to contact me should you require any further information, or further clarification of the point raised above.

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176 341 On behalf of our client, King's College London (KCL), we are pleased to submit representations on the London Borough of Southwark's Community Infrastructure Levy (CIL) draft charging schedule, which has been published for consultation until 3 April 2013. Representations have previously been made on the preliminary charging schedule.  
King's College London

Noted and will propose amending it.

KCL is a significant land owner within the London Borough of Southwark and provides educational facilities for over 23,500 students (of whom nearly 9,000 are graduate students) from 150 countries and approximately 6,000 employees. Of these figures it has over 10,000 students and employees living, working or studying in the London Borough of Southwark. It has two major campuses at London Bridge and at Denmark Hill and is part of the Kings' Healthcare Partnership, the other partners being the Guy's and St Thomas' Foundation NHS Trust, King's College Hospital NHS Trust and the South London and Maudsley Foundation NHS Trust. It is one of the largest providers of healthcare education in Europe.

As a major educational institution and employer in Southwark involved in bringing forward a range of development projects to further its purpose and the effectiveness of its delivery of educational services, the setting of CIL charging rates is of great interest and importance to KCL. The following comments are made in respect of the draft charging schedule.

Exemption for Charities

KCL is a charitable institution. Its charitable purpose as set out in its Charter is as follows:  
“The objects of the College shall be to advance education and promote research for the public benefit.” Clause 3(1).

The draft charging schedule sets out a range of exemptions from CIL that LB Southwark is proposing to make. This includes:

“Development for charities of their own land to be used wholly or mainly for their charitable purposes.”

This is describing the mandatory charitable exemption that is provided by Regulation 43 of the CIL Regulations 2010. We would suggest that the text in the charging schedule is amended to read:

“Development for charities of their own land to be used wholly or mainly for charitable purposes.”

This is to more accurately reflect the Regulations which make it clear that the use can be for the charitable purpose of the land owning charitable institution, or for the purposes of this charitable institution and other charitable institutions.

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176 342 Discretionary Charitable Relief: Investment Activities

The Council does not wish to introduce Discretionary Charitable Relief at this stage.

Regulation 43 of the CIL Regulations 2010 makes provision for charging authorities to allow relief for development by charities where the whole or part of the development is held by the charity as an investment for charitable purposes. At present the London Mayor has chosen not to adopt this relief and it appears from the draft charging schedule that LB Southwark is also not proposing to introduce the relief. KCL objects to this approach and considers that LB Southwark should introduce discretionary charitable relief for investment activities.

This is because investment income is an important source of funding for many charitable institutions such as KCL. As public funding cuts take affect, the role that this income can play in supporting existing charitable functions, as well as funding new charitable facilities, is increasingly important. In KCL’s case the whole purpose of such investments is to generate profits which will be used directly to support its charitable purpose. KCL requests that the charging schedule provides explicit relief for all development by charities for investment purposes where the whole or greater part of the chargeable development will be held by a charity or charities as an investment from which the profits will be applied for charitable purposes.

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176 343 KCL objected to the CIL rates for student accommodation set out in the preliminary draft charging

The council recognises that there are two types of

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schedule. No changes to these rates are proposed in the draft charging schedule, therefore the objection is maintained. The draft charging schedule proposes various CIL rates for student accommodation as follows:

Zones 1-2 £400  
Zone 3 £250  
Zone 4 £50

The same rates are proposed for C3 residential development. KCL is extremely concerned that the accommodation it provides for its own students should not be included within this category. KCL's student accommodation is provided at subsidised, sub-market rents and is in no way comparable to private rented C3 accommodation as a financial model. In addition, KCL is concerned about the delivery of student accommodation in Southwark generally and considers that the CIL rates proposed will pose a significant threat to scheme viability and prejudice the delivery of this form of development in Southwark. This will be to the detriment of the higher educational sector as a whole. The NPPF makes it clear that development proposals should not be subject to a scale of obligations and policy burdens that threatens the ability to deliver an otherwise viable and appropriate development. The following comments are made in this context.

There are several points to consider here. The first is that student accommodation provided directly by KCL would benefit from the CIL exemption for charities. The advancement of education is central to KCL's charitable purpose (see above). A vital component of KCL's educational offer in London is the ability to provide students drawn from across the UK, as well as international locations, with reasonably priced, accessible and suitable accommodation. Therefore, the student accommodation provided by KCL is of paramount importance to its overall educational offer and its charitable purpose – the advancement of education.

KCL's student accommodation may be let out for short periods during University holidays. However, the Standard Residence Agreements with students cover 40 weeks (71% of the year) and have the option for extensions which many students take. Therefore, it is quite clear that the properties are "wholly or mainly" used for charitable purposes and can properly be included within the charitable exemption category. For clarity, KCL requests written confirmation from the Council on this point.

The second point is that circumstances may arise whereby KCL or another charitable institution seeks to provide student accommodation in association with a partner/body without charitable status. This is a model that KCL is currently considering. However, it would take the student accommodation provided outside the mandatory charitable exemption. KCL's purpose in pursuing

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student accommodation, nomination and direct let. The council's viability appraisals show that while the latter can generally support CIL and affordable housing, the former require cross-subsidy to make them viable. Many nomination schemes are built by universities on land on which the university is the majority landowner and in such instances universities are able to use their charitable status to apply for CIL relief. In addition, we are proposing an option which will give nomination schemes the chance to benefit from a nil charge where there are prepared to hold rents below a certain level. This would need to be agreed under a section 106 obligation.



this model is still to provide the accommodation at a subsidised and sub market rents. In this situation the application of CIL would directly impact the viability of the development and severely prejudice KCL's ability to progress schemes on this basis, ultimately prejudicing the service provided to its students.

The accommodation that King's provides directly for its students in the Southwark and Lambeth area is set out in the table appended to this letter. The rents charged include furnishings and the services outlined in the table. The rental levels are significantly below those charged by private sector organisations providing student accommodation. Deloitte's database of student accommodation indicates that in Southwark the average rental levels are generally between £171 and £344 per week for an ensuite cluster room, private flat or studio accommodation.

The weekly rates in King's Residences are between £120 and £158, and although the accommodation is not in all cases directly comparable, this indicates the degree to which the rents charged are "sub-market" and offer students affordable accommodation that is not available to them from other sources.

It is quite clearly inappropriate to apply the CIL rates set out in the draft charging schedule, which presumably have been calculated by reference to the private residential and commercial student housing sectors, to KCL sponsored sub-market student accommodation. The Council's response to KCL's previous comments acknowledges that "Schemes let at reduced rent levels by universities are likely to require cross subsidy from university resources to make them viable. However, as long as the university is the majority landowner, these schemes are likely to be exempt from paying CIL given the universities' charitable status."

This is not a sufficient safeguard as there may be circumstances that fall outside the above scenario and where the charitable exemption does not apply.

The third point is that the Council's viability evidence to support the student accommodation rates is considered to be flawed. The Council's response to KCL's previous comments on the preliminary charging schedule notes that "Private sector student accommodation rates are identified as able to generate sufficient surplus residual values, even after allowing for 35% of proposed floorspace as affordable housing, to absorb a maximum CIL of up to £1,549 per sq m exclusive of Mayoral CIL."

It is considered that this premise is flawed. Payments in addition to CIL, via S106 (including affordable housing) and S278 Agreements, relating to site specific obligations could be imposed upon future development proposals, which individually and cumulatively could pose significant

viability problems to scheme delivery.

Therefore, we submit this letter as a holding objection to the proposed CIL rates on student accommodation and would welcome further discussions with your officers on this point. We reserve the right to make further submissions on this matter and to be heard at the examination in public.

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178 337 The CIL rates would appear not to generate sufficient revenue to be :

- compatible with the sustainable development / area of intensification proposed in the CW AAP .
- adequate to provide 35 % affordable housing in the CW AAP area
- able to provide the necessary infrastructure in the CW AAP area

There have been a number of major developments in the Canada Water area during the course of the past decade. There are many more such developments in the pipeline. Developers in the CW area appear to quickly sell their properties and generate high dividends for their investors. Hence, it must therefore be possible to introduce CIL rates that reflect this situation. The revenue generated would then provide sufficient funds for the much needed road changes, social infrastructure and meeting social housing targets. Currently, LBS appears to have no local infrastructure planning to underpin these major development schemes in the CW APP area. LBS could and should identify and deliver major infrastructure projects from S106 / CIL funds.

Alas, ten years on and the CW community continues to endure :

- a road network that is frequently gridlocked
- an existing swimming pool / leisure centre that is not fit for purpose
- much existing social housing that is below standard,
- minimum number of new social housing units

It is imperative that LBS realistically costs essential CW AAP infrastructure projects and sets the CIL rates accordingly.

The Infrastructure Plan has been prepared to provide evidence of the need to levy CIL in the borough, as per the CIL regulations. Infrastructure projects in the Canada Water Action Area have been included and costs attributed where known. It is important to emphasise that the infrastructure set out in the infrastructure plan is not an exhaustive list. It is intended to be a living document which can be updated regularly. Omission of infrastructure items from the list would not preclude such items being funded in the future through CIL. Nor does the infrastructure plan commit the council to spending the amounts set out in the plan.

Further work on the evidence base has been undertaken since the previous consultation to ensure the benefit of generating CIL funding for infrastructure is balanced against the imperative of continuing the supply of new homes and creating affordable housing.

The additional viability testing has recommended that the proposed CIL rate for the revised zone 2 (which includes Elephant and Castle, Bermondsey Spa, Canada Water, Camberwell, Nunhead, East Dulwich and Dulwich) is reduced from £250 per square metre to £200 per square metre. Most homes in the borough which are expected to be built over the next 20 years are in this zone and therefore a reduction in CIL in this zone will reduce CIL funding available for infrastructure. The

reduction is recommended as a result of the fact that the expectation about the amount of section 106 planning obligations which will be negotiated has been increased (we previously estimated £1000 per home and have raised that to £1,500 per home) and the need to comply with new government guidance which stresses that CIL should not stretch economic viability to the limit.

184 345 We write on behalf of Blackfriars Limited ('BL') in respect of the London Borough of Southwark's Community Infrastructure Levy ('CIL') Preliminary Draft CIL Charging Schedule. BL owns land bound by Blackfriars Road, Stamford Street, Paris Gardens and Colombo Street – more commonly known as 20 Blackfriars Road. The site benefits from an implemented planning permission to provide a mixed use scheme comprising housing, retail and office. BL have reviewed the BNPP Viability Review that underpins the Council's draft charging schedule. BL submit the following observations for the Council's consideration -

1.  Notwithstanding the current continuing economic uncertainty the BNPP Viability Review assumes the land value increasing. We question this approach given the uncertain economic outlook

2.  Providing a full headline affordable housing policy requirement in the current economic climate is challenging. The BNPP Viability Review allows for the headline affordable housing percentage and this should be questioned.

3.  The National Planning Policy Framework (NPPF) introduces viability as a material consideration in the determination of planning applications. This is not referenced in the BNPP Viability Study.

4.  The BNPP Viability Study uses a range of development scenarios in order to test the ability of sites to make CIL contributions alongside traditional obligations. The Study, in many cases, takes an unrealistic view on Site Value in order to present 'viable' scenarios. Paragraph 31 of the Council's Cabinet report states

'Inevitably in the first year or two of operation, there may be some sites where the level of affordable housing are impacted, while the market absorbs the new charge'.

This suggests that where sites have already been purchased LBS will be willing, subject to

1. Southwark's house prices have increase by over 15% in the last year. BNPP Viability Study will not factor in a 'buffer' to address this point.

2. This follows most of the recent inspectors comments that a policy compliant scheme should be tested. Decreasing the AH levels would only increase the rates.

3. The BNNP Viability Study tests viability of CIL, other policies are viability tested during the application or plan making process.

4.& 5 & 6 Given the longer CIL adoption timeframe 2 years will have passed, with rises in values, to absorb the potential CIL . We are also proposing to incorporate a 'buffer' below the top rate we could seek.

7. Many of the test site are the larger more strategic sites, so the impact on them has been tested.

8. We are now testing this at £1,500 per unit.

viability, to accept lower affordable housing percentages than that might otherwise have been agreed in a pre-CIL environment.

5.□It also infers the land market will need to absorb CIL and that a correction will be forthcoming. Given this perceived correction many sites will simply not come forward for development. The CIL rates are not intended to render sites unviable, however the proposed reduction in affordable housing noted implies that the buffers are not set at the correct level and the rates are too high. The proposed CIL rates can only be supported in many cases following a correction in the land market.

6.□The inference is that the Council will need to accept that accommodating the cost of CIL into development appraisals for the sites acquired prior to the adoption of the charging schedule is that contributions towards affordable housing and other areas will be rationalised.

7.□The BNPP Viability Review presents a blanket approach to risk and does not acknowledge the commercial and financial barriers that exist in bring forward larger more strategic sites;

8.□The BNPP Viability Review includes residual S106 costs at £1,000 per dwelling which appear low on larger sites where there are likely to be a range of onsite mitigation measures still required.

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190 373 These representations are submitted to Southwark Council (the "Council") on behalf of our client Lend Lease in respect of Southwark Council's Revised Draft CIL Charging Schedule (February 2013).

As the Council's Development Partner Lend Lease is committed to the delivery of significant regeneration at Elephant and Castle, which is a key policy aspiration of the Council, and has recently obtained planning permissions for the Heygate Masterplan, Phase One of the Heygate Regeneration, and St. Mary's Residential. The total combined quantum of development to be delivered by Lend Lease is up to 2,989 residential units, 22,763 sqm (GEA) of retail and leisure floorspace, 5,413 sqm (GEA) of business floorspace, up to 5,000 sqm (GEA) of community and culture floorspace, a new energy centre which will be able to serve the wider neighbourhood and a new park.

Lend Lease is therefore fully informed and well placed to comment on the implications of the Draft CIL Charging Schedule and submitted detailed representations on the Preliminary Draft Schedule on 17 October 2012 (which are enclosed with this letter).

We note that there have been only minor changes to the Draft Charging Schedule since it was last

The council considers that its evidence base establishes that proposed rates would not threaten delivery of the relevant Core Strategy as a whole. With regard to Elephant and Castle, it should be noted that that rates are informed by the 2011 Development Infrastructure Funding Study. The council is proposing to reduce CIL rates for housing in the E&C area to a rate which is significantly less than the equivalent tariff rates adopted in the Elephant and Castle OAPF/SPD.

published for consultation in September 2012. For this reason, Lend Lease remains concerned that the headline rates for Elephant and Castle (Zone 3) remain largely unchanged. We note that the minor changes include:

- A reduction in the CIL rate for Office development in Zone 1;
- Changes to the definitions of retail development (previously done on floorspace and now divided into the type of retail use);
- Removal of a separate affordable retail space category;
- Amended and simplified descriptions for health and education uses; and
- The CIL Rate for all other uses reduced from £50 to £30 in all Zones.

Having reviewed the Council's response to its previous representations, the Revised Draft CIL Charging Schedule, and the updated evidence base, Lend Lease still considers that the suggested rates fail to achieve the balance lawfully required by the Regulation 14 of the CIL Regulations. Lend Lease continues to have fundamental concerns about the evidence base upon which the Draft Charging Schedule is based, specifically the BNP Paribas Viability Study, and in particular whether the evidence takes full account of the likely burden of all planning policy and regulatory costs that fall upon development, and particularly on large strategic sites in the Opportunity Areas, such as the level of site specific Section 106 obligations and affordable housing provision.

Lend Lease does not consider that the concerns and suggestions outlined in its previous representations have been satisfactorily addressed, and considers that the Council is not yet in a position to judge whether the proposed Preliminary Draft Charging Schedule would risk the economic viability of development across its area and/or increase the level of unviability of schemes i.e. the tests set out in Regulation 14 cannot yet be meaningfully applied.

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191 294 In addition to this comment I carry forward, into this formal consultation, all comments previously submitted to you (in the non-formal stage of consultation) However, of course, I do not expect any repeated response chucks to my previously submitted comments.

We noted the representation request to attend the CIL examination.

This comment is submitted to ensure any participation rights in any future CIL examination or whatever. The pace of change in CW AAP area, Southwark, and the UK, is so fast that from the submission of this comment to the time of any CIL examination anything could happen. Participation in a CIL examination also allows comments up to be updated (if necessary).

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191 295 Southwark proposed that the Canada Water become an area be intensified to The Mayor of London and the Mayor made Canada Water / Rotherhithe Area is an area of intensification in the London Plan and so on. Southwark and the Mayor have responsibilities to support and deliver to

It is important to recognise that the Infrastructure Plan which provides supporting evidence to the draft CIL Charging Schedule is intended to be a

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the CW AAP area. The current Mayor has (so far) neglected to ensure that investment continues into Rotherhithe Ward, Surrey Docks Ward and through North Lewisham to ensure that the intensification is sustainable and viable over the reasonably foreseeable future. Primary, stacked up, issues of congestion and road traffic pollution have not been sorted out and other infrastructure needs are emerging and becoming clear as the area grows rapidly.

Developers are developing as fast as they can (for the real returns that are reported to their shareholders net of "expenses") and in response the Council needs to fund projects and infrastructures and improvements to coherently match the pace and extent etc. of the intensification without further prevarication, avoidance and delay. This is to ensure good and proper planning, and that sustainability is provided and also so that benefits accrue to the wider Rotherhithe public etc. and others.

A clear example is the recent apology from TfL confirming gridlock traffic chaos (March 2013 as reported in Southwark News) and pollution caused by changes to the Rotherhithe Tunnel, conditions that mimic past periods when other river crossings, e.g. Blackwell Tunnel, have been closed or restricted. One change to the Rotherhithe Tunnel, some might claim an insignificant change, caused substantial, significant and extensive road traffic chaos that damaged people and economic growth too (e.g. time lost in congestion). NPPF, further powered up by the Supreme Court recently, places good sustainable growth at its heart.

The A200, and other roads, from Jamaica Road through to Lewisham require tens of millions of pounds of investment urgently. The need for substantial and very high levels of investment is urgent and overdue, and the Council has failed to provide adequately during planning process at various stages. Where there was commitment for £8 Million for Seven Islands leisure centre there is now uncertainty. A recent Freedom of Information Request from Southwark confirmed how little information the Council claims it knowingly holds – even in the minds of long serving Officers it seems – about very important aspects of air quality and pollution in my area, and therefore, this evidences how weak and incomplete Southwark's planning processes have become. And residents are aware that, plainly, by outcome, that the Council does not adequately coordinate with others including with TfL over specific matters, and there is much doubt in regards to active cooperation and communication in regards to development all along the North of Lewisham that will worsen traffic, congestion and pollution. (An area on law Andrew Seaman also referred to and sought assurances about).

I understand that the idea is for CIL revenue to fund "infrastructure" to support the development of the council's "area". Area include areas nested in the area. Locals nested in the local. We also need the Lewisham Area sorted out and Southwark's approach needs to be coherent with traffic

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"living document" which will be updated regularly as further details about infrastructure requirement to support growth become clearer. At this stage, the Infrastructure Plan has been prepared to identify the type and range of possible projects needed in the borough which could receive CIL funding and the global cost of those projects. Guidance from the Government is clear that "charging authorities may spend their revenue from the levy on different projects from those identified during the rate setting process".

Therefore projects used to determine infrastructure costs (or broad levels of cost identified for a category of infrastructure) do not form a commitment in relation to the actual expenditure of CIL. Omission of infrastructure items from the list would not preclude such items being funded in the future through CIL. Priorities for spending CIL receipts will need to be regularly reviewed, and will depend on the progress of both individual developments and projects. It should also be noted that this Infrastructure Plan identifies only the strategic infrastructure which is needed to support growth and does not take account of the infrastructure requirements identified by local neighbourhoods in the borough. Under the Localism Act, the council must identify a 'meaningful proportion' of Southwark CIL that will be spent in the local area to ensure that those people affected by development see some of the benefit. The government has confirmed that the "meaningful proportion" will comprise 25% of CIL funding in areas where there is an adopted neighbourhood plan in place and 15% elsewhere.

Funding would be allocated to projects on the community infrastructure project list (CIPL) which

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issues in Lewisham and Greenwich.

Representatives of the Canada Water Forum fed comment and suggestions into the Open Spaces consultation, and other consultations over recent years, a detailed range of standards (ideas and projects) for various infrastructures necessary for supporting development and sustainable good growth in our area. These included standards for youth centres, swimming pool provision, sports facilities and open space etc. All the evidence provided and available to the Council that is expected to inform this process.

The authority (and any examiner) should consider that the infrastructure planning underpinning the Council's development plan (and planning policy) is weak and does not reflect latest priorities etc. It should undertake additional bespoke infrastructures planning (working very closely with residents who express a wish to be involved) to identify infrastructure funding gaps that have not yet been adequately accounted and provided for (despite all manner of input by the public and others). The Council has not adequately identified projects requiring funding from CIL (to ensure it meets its obligations under this process and other requirements) and it has not adequately completed a stage of identifying potential infrastructure projects for the Southwark area and important areas of high growth and change identified in the London Plan for intensification.

is based on a recently revised project bank list. This would be updated every year with consultation with the community councils and planning committee to ensure it reflects local needs. The draft section 106 Planning Obligations/CIL SPD explains how this would be implemented in Southwark.

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191 296 Since 2010 there has been inadequate attention in regards to the CW AAP area and it is becoming a mess that developers can legitimately and lawfully exploit. Including the failure of the Council to buy back the leasehold of Harmsworth Quays when it had the chance – potentially losing a great deal of money.

Developers are generating high returns (which they trumpet to their investors) and I would normally say that this should allow higher CIL rates in our area. So if these high returns can provide for the road changes and social infrastructures etc. we need in our area and meet the housing targets etc. then that would be great. Only then, might money be left over to subsidise and other residential zones and lower CIL rates for social housing in other zones too. However, the developers are still claiming and showing low viability. Their message has been consistent for CW AAP since 2010. Actual real applications will now be the proof and evidence we need to see in place of opinions of Council Officers fed into CW AAP which no longer hold.

Viability, and likely CIL revenue, will be nowhere near anything represented to Mr.Seaman and upon which the Inspector relied upon when finding the AAP sound etc. We cannot blame developers who went to CW AAP and said that it will not be viable, can we. If the Council has no choice but to weakly and meekly – pretty powerlessly - standby while Developers calculate away viability (creatively or whatever) then this will impact harshly and hard onto CIL rates and revenues

The benefit of generating funding for infrastructure needs to be balanced against the imperative of continuing the supply of new homes and creating affordable housing, which are key objectives of the Core Strategy. The evidence set out in the updated CIL Viability Study clearly shows that the majority of the sites tested in the borough are located within the action areas and opportunity areas, which are where large strategic sites are located. Overall it is considered that the proposed CIL rates represent an appropriate balance between generating funding to secure provision of infrastructure and ensuring that CIL does not put development and regeneration in the borough at risk.

In December 2012 the government published new statutory guidance and this was updated again in April 2013. The new guidance places more emphasis on the need to demonstrate that

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in 2013~. And no one in the council is saying the developers are fiddling viability or the district auditor out-to-dinner. So the viability is just not there as expected after the CW AAP cake is sliced up.

Perversely in seems, some developers are generating high returns (which they trumpet to their investors) but it is looking very unlikely that Southwark will get what it desires and expects out of these deals. Hopefully an independent inspector, which the Council selects and appoints, I understand, will be able to bring so sense to this mess.

There seems to be serious planning policy failure emerging that is disturbing given the huge amount of input from residents and others who have worked hard to proactively try and ensure real world informed development proceeds provided that it is reasonable, appropriate and sustainable etc. Sensible, good for planning suggestions, have not been picked up and integrated into planning documents etc. It is an incredible confused mess.

The proposed rates are neither adequately informed by, nor consistent with, the evidence on economic viability across the charging authority's area and particularly because areas of intensification and opportunity are nested with the "area". These areas of intensification and opportunity must be properly resourced to be sustainable. Failure to do so will change, undo and expose the Council's assurances made into and CW AAP is falling coming apart as developers push on with planning applications with every intention of obtaining consent. The speed and extent of changes makes CW AAP increasingly out of date.

The Council assured the public, residents, others and Mr. Andrew Seaman (Planning Inspector, CW AAP) that the CW AAP is sustainable and viable. However, now (March 2013), we see a single application coming forward with 1,049 units and over 3000 bedrooms alone (Sellar's ), totally busting the CW AAP "quantum" beyond any limits of flexibility and anything provided for in sustainability assessments for the AAP that underpin "targets" as examined. The Council must catch up and re-provide for this ramping up of intensification through CIL. Investment into all kinds of infrastructures also need to keep pace and be intensified.

I fail to see how inflexible CIL rates will be able to ensure infrastructure we need is provided given such a high level of super-spiralling intense and dense development coming forward so fast. While developments come forward, within the CW AAP area now breaches anything evidenced as sustainable, the Council fails to match the pace of change in regards to infrastructures of many kinds. One without the other is simple not reasonable, not sustainable and bad / improper planning. I am sure the CIL Inspector will fit all this into the guidelines and law better than I am able.

residual section 106 requirements have been rigorously justified and taken into account and the need to ensure that proposed CIL levies are generally below the maximum CIL levies that could be charged. While there is no guidance on what this buffer should be, inspectors have suggested that CIL charges which are 20% or 30% less than the maximum that could be charged are acceptable and allow for sufficient flexibility and variation in circumstances. Appendix 3 of the CIL Viability Study sets out the buffer between the maximum CIL that could be charged and the proposed CIL rate.

The government's statutory guidance also indicates that authorities should also make available a draft list of infrastructure items that in the future will not be funded by section 106 planning obligations (the Regulation 123 list). These are items which could be funded or part funded by CIL. Projects not referred to on the list could be funded by either CIL, other funding sources or s106 planning obligations. However, it is anticipated that s106 planning obligations would only be used to pay for site specific infrastructure.



The plans for changes to the A200 and the Gyrotory are stuck in 2006 with more neglect following on, and have not been superseded with a much greater substantial plan to reduce and eventually remove congestion and pollution from the A200, despite this being such an important road for London. The Council appears to be out-to-lunch on the additional air pollution from SELCHP and TfL vents.

There are serious implications for viability including evidenced written reports of developers seeking and getting 20% margins plus figures of 6% etc. for other matters (see also Conrad Phoenix 3D-toolkit type data placed into CW AAP for Site C), on top of various finance costs and 'expenses', with lease deals etc., dinners out, and on top of pass-the-parcel sales of land that inflate values too. Non-viability ends up constructed in all kinds of ways and what is explicit to residents raises serious concerns and implications for CIL revenue and rates.

Finally, the implications became clearer in March 2013 and the examiner will want to consider the priorities of the AAP and the Core Strategy including planned targets for housing supply and affordable housing to rent at a genuine price that people on the London Living Wage can afford. What we know now is that affordable social housing is falling substantially short of the "target" of 35% for CW AAP and is coming in at <15% or even 0% if site owners (who may be charitable educational institutions) house their own key workers into affordable housing units. Planning applications coming forward have also exposed, for the CW AAP area in March 2013, the fundamental flaws and faults of the CW AAP judged sound in 2010 as representations from residents and developers sought to make clear at the time. The CW AAP was always, and is, not viable because of the huge need for investment needed to support what was intended in 2010 and now actually emerging in Spring 2013. With the costs rising all the time.

Because of all of this, for the CW AAP area at least, evidence shows that proposed CIL rates put at serious risk sustainable development of the intensification area. CIL policy and rates set for affordable housing, for example, need to ensure that affordable housing is built in the CW AAP and Rotherhithe Area and that our area, already not viable as expected, is included in any version or iteration of any CIL lower social housing rate or zone. Otherwise, with effective rates of affordable housing from 0% to <15% now in evidence, much of it not even priced at a genuine rent we can afford on a London Living Wage, the existing Southwark community (as well as residents in the AAP area) are being frozen and priced out. It only becomes viable for wealthy people to live here.

It is common sense that an area that is already demonstrating an inability to provide anything near to the expected targets cannot subsidised other areas by having a higher CIL rate for social

housing and affordable housing development elsewhere because our area and community will not be sustainable.

If the Government, Mayor and TfL had invested in Southwark's road infrastructure for London over the last decade, to cut congestion and pollution, then things might be different now. Hoping it all away has not worked. However, money poured into rail but not the road system which is the primary cause of terrible pollution and aggravated by Congestion charge avoidance. Heavy polluting traffic continues to use the road system at will and there is no project even to redirect and restrict this type of traffic. DfT projections show a forward rises in car ownership and use.

And no matter which political parties or party controls central government Southwark seems to lose out to other areas e.g. those with approaching 100% decent housing compared to our circa 50% or so.

Targets are not just "at risk" they are no longer sound or justified etc. The CIL examiner should be very concerned because the proposed CIL rates will make a material, significant and substantial difference to targets and other risks. And the resulting charging schedules will impact disproportionately on particular areas and communities e.g. CW AAP area and particular sectors and developers.

At the end of the day, I am not against good sensible sustainable appropriate (etc.) development, but a charging authority still needs to adequately identify the total cost of the various infrastructures needed, and that the community says to the Council it needs CIL etc to fund. Southwark has failed to adequately consider what additional infrastructures are needed in our intensification area. When it begins to consult properly it will make an effort to ensure all sections of the community are well informed and have a full opportunity to suggest projects for CIL funding.

As is stands most people I talk with have never heard about it and do not understand what it is all about. That is not a genuine consultation in my view, and the March Bermondsey & Rotherhithe Community Council meeting made it very clear how the CIL project lists are being put together and the very limited select input into them. The kind of behaviour that would be less likely in a small parish but for some reason seems rampant in a large bureaucratic Council with a very high Council Tax.

The CIL issue is an opportunity, along with CW AAP Review 2014, to finally start building something careful, well founded and sensible and make some progress.

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Service (MOPAC/MPS), with regard to the Council's consultation on the Community Infrastructure Levy Draft Charging Schedule and Draft CIL Infrastructure Plan.

These comments should be read in conjunction with those raised within our letter dated 17 October 2012 to the Preliminary Draft Charging Schedule (attached). As such the policy context will not be repeated.

CIL Draft Charging Schedule – further comments

Our initial representations highlighted that the proposed payment required for offices within Zone 1 and D1 and Sui Generis uses Borough wide would result in the MOPAC, a publicly funded infrastructure provider as defined in the Southwark Infrastructure Plan (similar to health and education providers who are exempt) being charged CIL on development.

It was therefore proposed that development by emergency service providers for operational purposes should draw a nil rate.

The Council have subsequently reduced the B1 Zone 1 rate from £100 to £70 per sq.m and the all other uses rate from £50 to £30, indicating that it would be unlikely that such rates would render a scheme unviable.

However since the GLA CIL is also applicable, whilst the Council's charge is now likely to be between £30-£70 for any policing use, the total CIL charge including the GLA CIL would be £65-£105. If this is applied to a custody centre for example which are typically c.4,000sq.m the total CIL charge would equate to a total £260,000 CIL payment, funding which is being taken away from policing.

There are a number of ongoing concerns. Firstly the fact that a publicly funded infrastructure provider would be liable to pay for infrastructure is an anomaly in itself particularly at a time when the MOPAC are looking at cost efficiencies across the organisation.

Further, the changes to the MOPAC estate is seeking a reallocation of staff and resources rather than additional staff. There would consequently be no additional impact on infrastructure to justify a CIL payment compared to, for example, a residential use which would require additional infrastructure.

The Council would also benefit from any CIL receipts liable from any change of use or redevelopment proposals from the surplus MOAPC estate which would have a direct impact on

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priorities for the police estate will be to consolidate the existing estate, dispose of inefficient and surplus buildings and reinvest in the remaining stock. While the document referred to, "Local Police and public access" refers to two new contact points in the borough in Walworth and Peckham, it is unclear whether the front counters proposed would attract a CIL as both may be in existing buildings.

The proposed CIL charges have been set having considered detailed viability appraisals for different types of development throughout the borough. Further appraisals have been carried out since consultation on the preliminary draft charging schedule. In light of this evidence, we are proposing to reduce the charge for 'all other uses' from £50 per square metre to £30 per square metre and the charge for offices (B1) in charging zone 1 from £100 per square metre to £70 per square metre. Applying a modest CIL of £30 sqm to such 'all other uses' (with the exception of health, libraries and education which will be zero rated) is considered to be unlikely to adversely affect the viability of such developments.

infrastructure, such as office or residential uses.

#### Beneficiaries and Infrastructure

Following a period of consultation the MPS have now published their Police and Crime Plan, along with updated public access and deployment maps for each Borough. The proposals for Southwark can be found at:

[http://www.london.gov.uk/sites/default/files/Southwark\\_0.pdf](http://www.london.gov.uk/sites/default/files/Southwark_0.pdf)

It should be noted that this highlights that at least two contact points will be provided across the Borough and that the Council are keen to support the MOPAC further requirements having been offered a number of options for potential opportunities.

I trust that this is acceptable and the objectives of the MOPAC/MPS will be reflected at submission stage. Please do not hesitate to contact Matthew Roe or me at this office should you have any queries or require any further information.

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196 439 I am writing on behalf of the Mayor with regard to the London Borough of Southwark's Community Infrastructure Levy (CIL) draft charging schedule.

As we pointed out in commenting on your preliminary draft charging schedule, we do have some concerns about the extent to which your proposals take full account of the CIL rates set by the Mayor as required by regulation 14(3) of the Community Infrastructure Levy Regulations 2010 (as amended), particularly in the light of the revised statutory guidance on the CIL published by the Government in December 2012. We are still considering the matter, and I would be grateful for your agreement that we provide a substantive response next week.

Further viability testing has been undertaken and the CIL Viability Study recommends that the number of residential CIL zones be reduced from four to three. Zone 2 (Tower Bridge Road to Rotherhithe village) is deleted and split between zone 1 (Bankside, Borough and London Bridge north of Union Street and Snowsfields) and the zone which includes Canada Water, Bermondsey and Elephant and Castle). The change reflects the fact that there is a significant drop in residential land values east of Shad Thames. The zone 1 CIL residential rate of £400 per square metre could compromise the amount of affordable housing which can be provided in areas to the east of Shad Thames.

As a result of the additional analysis, we do not propose to change the charge of £400 per square metre in the revised zone 1. There are generally few residential developments in this zone and those which have been built recently or are under

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construction are generating residential values which are significantly higher than elsewhere in the borough. These differences in land values are starkly represented on a “heat map” of house prices across the borough (see appendix G of the CIL Cabinet Report). In Zone 1 the appraisals indicate significant surplus values above existing use values, which result in high levels of maximum CIL. The average maximum borough CIL is £719 per square metre. A CIL of £400 per square metre would leave a reasonable viability ‘buffer’ below the least viable scheme tested in this area of £693 per square metre.

Further testing has also been carried out in conjunction with preparation of the Canada Water AAP. Montagu Evans have been commissioned to undertake viability analysis of that area. Further information is set out in Montagu Evans study.

However, we are proposing a change to the proposed CIL rate for the revised zone 2 (which includes Elephant and Castle, Bermondsey Spa, Canada Water, Camberwell, Nunhead, East Dulwich and Dulwich) to reduce this from £250 per square metre to £200 per square metre. Most homes in the borough which are expected to be built over the next 20 years are in this zone and therefore a reduction in CIL in this zone will reduce funding available for infrastructure. However, the benefit of generating funding for infrastructure needs to be balanced against the imperative of continuing the supply of new homes and creating affordable housing, which are key objectives of the Core Strategy. The reduction is recommended as a result of the fact that the expectation about the amount of section 106 planning obligations which will be negotiated has been increased (we

previously estimated £1000 per home and have raised that to £1,500 per home which has been included as an input into the appraisals) and the need to comply with new government guidance which stresses that CIL should not stretch economic viability to the limit.

196 440 I would also be grateful if you could note our request to be notified of submission of your draft charging schedule for examination, publication of the examiner's recommendation and approval of the charging schedule. We would also request that we be heard at any public examination that is held into your draft schedule in accordance with regulation 21 of the Community Infrastructure Levy Regulations 2010, in particular to address the question of compliance with regulation 14(3).

Noted.

241 297 Introduction

Network Rail is the 'not for dividend' owner and operator of Britain's railway infrastructure, which includes the tracks, signals, tunnels, bridges, viaducts, level crossings and stations - the largest of which we also manage.

Network Rail's position

Network Rail believes that it should be exempt from CIL or its developments classified as payments in-kind;

Network Rail is seeking further clarification on the definition of buildings in CIL regulations. Stations are open-ended gateways to rail infrastructure and should not be treated as buildings and lineside structures used to operate the railway should be classed as railway infrastructure;

Network Rail would like clarification on whether its developments over 100 m2 undertaken using our Permitted Development Rights will be CIL liable;

Given that CIL can be used to fund sub regional infrastructure projects, we hope that railways will be specifically mentioned, alongside roads, as a potential beneficiary of CIL in the regulations.

Given that Network Rail is a not for dividend company whose profits are reinvested in the network, this represents the direct loss of railway investment. However, as an optional, locally set charge, the precise impact of CIL on Network Rail is very difficult to quantify.

We believe that charging CIL on gross internal floor space is disproportionate given that it will encompass very minor as well as major projects. For example, the installation of a Disability

In response to Network Rail's comments:

The proposed CIL charges have been set having considered detailed viability appraisals for different types of development throughout the borough. Our appraisals show that applying a modest CIL of £30 sqm to such 'all other uses' (with the exception of health, libraries and education which will be zero rated) is considered to be unlikely to adversely affect the viability of such developments.

"Buildings" are defined in the CIL Regulations. Southwark cannot amend that definition.

Some permitted developments can be CIL liable.

We have included rail projects in our Infrastructure Plan.

Discrimination Act compliant covered footbridge at a station would add 110 m2 to floor space.

The way in which our revenue requirement from access charges (paid by train and freight companies) is calculated deducts expected income from developments. Revenue from these developments is then retained by Network Rail and used exclusively to fund its capital investment programme. Network Rail's regulatory assessment makes forecasts of the revenue which Network Rail will receive from this source.

Indeed, Network Rail has obligations to maintain and improve the UK rail network; and maximise returns from land and property no longer required by the rail industry for reinvestment into the railway infrastructure.

Network Rail would therefore require additional funding through the current periodic review by the Office of Rail Regulation, which will set Network Rail's outputs, revenue requirement and access charges for CP4, or some form of regulatory re-opener to address the issue of the CIL.

-the case for an exemption

Given this threat to Network Rail's revenue from CIL, Network Rail very much hopes that it will be granted an exemption for its developments or, as an infrastructure provider, the regulations will treat them as payments in-kind. Network Rail believes it has strong grounds for such an exemption.

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241 298 Zone 1-3 boundary, Snowfields, Weston Street and St Thomas Street

To further encourage regeneration of the southerly side of London Bridge station, the CIL Zones boundary 1-3, which uses Snowfields as the boundary should be moved further north using St Thomas Street as the north boundary and Weston Street as the westerly boundary so that the area would be within zone 3 as opposed to zone 1. The area bound by St Thomas Street, Snowfields and Weston Street has for several years remained undeveloped, its last previous use being a car park. Being in close proximity to London Bridge station, the South Bank and More London a mixed use development accommodating office, residential and retail uses would be an ideal. With the site included within proposed CIL Zone 1 the upper CIL Rate will apply, which could only deter prospective developers from developing the site.

Network Rail very much hopes that this request to have the boundary of CIL Zone 1 & 3 amended as this will further encourage the regeneration of the site.

The council's viability appraisals show that land values in the Zone 1 area is significantly greater than elsewhere in the borough. The proposed CIL of £400 per sq metre would be viable for developments tested in the area. The location of the boundary has been informed by house price "heat mapping" and also postal code data on house prices.

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362 309 South Bank Employers' Group is an association of major organisations in South Bank, Waterloo

Further viability testing has been undertaken and

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and Blackfriars dedicated to achieving the best possible experience for employees, residents and visitors to its area, which extends from Lambeth Bridge to Blackfriars Bridge and south to St George's Circus. The Group is a non-profit company limited by guarantee, governed by a board appointed by its members, who are listed below. South Bank Employers' Group also incorporates the South Bank Property Group which comprises the landowning members of the group itself as well as major developers active in the area.

Our interest is that we wish to encourage high quality development on London's South Bank and the economic and community benefits it delivers. Our comments on the Draft Charging Schedule reflect the headings of those on the preliminary draft Charging Schedule and are as follows:

1. We remain concerned about viability. We previously made the point about expectations on development to fund infrastructure that was previously eligible for public funding. With Mayoral CIL and the high expectations of Section 106 payments and/or on site provision for affordable housing there is the risk that development will not come forward or that insufficient funds will be available for essential local mitigation. A particular concern is over how the CIL and local mitigation will be prioritised within the context of development appraisals. If Mayoral and Borough CIL take priority they will threaten the amounts available for the essential local mitigation through S106 which are required to make development acceptable in the immediate neighbourhood. Without the right resource for such mitigation, in terms of public realm, facilities for residents and employees, visitor management, there is a risk that development not be acceptable and that the growth and economic and community benefits arising from development will not be realised.

We also have a specific concern in relation to hotels in the North of the borough. Though we recognise the evidence provided by BNP Paribas in support of the capacity of developments to support the proposed charging level, we have clear advice from potential developers that the proposed CIL of £250 per m2 will render some current proposals unviable.

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the CIL Viability Study recommends that the number of residential CIL zones be reduced from four to three. Zone 2 (Tower Bridge Road to Rotherhithe village) is deleted and split between zone 1 (Bankside, Borough and London Bridge north of Union Street and Snowsfields) and the zone which includes Canada Water, Bermondsey and Elephant and Castle). The change reflects the fact that there is a significant drop in residential land values east of Shad Thames. The zone 1 CIL residential rate of £400 per square metre could compromise the amount of affordable housing which can be provided in areas to the east of Shad Thames.

As a result of the additional analysis, we do not propose to change the charge of £400 per square metre in the revised zone 1. There are generally few residential developments in this zone and those which have been built recently or are under construction are generating residential values which are significantly higher than elsewhere in the borough. These differences in land values are starkly represented on a "heat map" of house prices across the borough (see appendix G of the CIL Cabinet Report). In Zone 1 the appraisals indicate significant surplus values above existing use values, which result in high levels of maximum CIL. The average maximum borough CIL is £719 per square metre. A CIL of £400 per square metre would leave a reasonable viability 'buffer' below the least viable scheme tested in this area of £693 per square metre.

However, we are proposing a change to the proposed CIL rate for the revised zone 2 (which includes Elephant and Castle, Bermondsey Spa, Canada Water, Camberwell, Nunhead, East



Dulwich and Dulwich) to reduce this from £250 per square metre to £200 per square metre. Most homes in the borough which are expected to be built over the next 20 years are in this zone and therefore a reduction in CIL in this zone will reduce funding available for infrastructure. However, the benefit of generating funding for infrastructure needs to be balanced against the imperative of continuing the supply of new homes and creating affordable housing, which are key objectives of the Core Strategy. The reduction is recommended as a result of the fact that the expectation about the amount of section 106 planning obligations which will be negotiated has been increased (we previously estimated £1000 per home and have raised that to £1,500 per home which has been included as an input into the appraisals) and the need to comply with new government guidance which stresses that CIL should not stretch economic viability to the limit.

The hotel evidence has been reviewed and the council consider it robust.

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362 310 2. We remain concerned on behalf of our cultural and educational members about how relief for charitable institutions will in practice be applied. In response to previous consultation comments the Council has responded

'The Council does not wish to offer relief for Charitable Relief...as it requires the funding to support its own infrastructure programme' but at the same time, on student housing the response is 'Universities will be able to apply for charitable exemption, under the CIL regulations, if they are the majority landowner of the development site. However, if a charitable institution seeks to provide student accommodation in association with a partner/body without charitable status, they would be liable for CIL.' In the event that the university remains a majority landowner in such an arrangement this is not clear. King's College London and London South Bank University are extremely important to Southwark and to the South Bank neighbourhood and housing their students at reasonable cost is an important local priority and they should be treated sympathetically and with clarity under these regulations.

With regard to student housing, the council previously proposed a charge of £250 per sqm. However, the CIL Viability Study has now included a number of further appraisals of student housing schemes and we have reviewed the evidence on the two types of student housing schemes: those run by universities or run by the private sector tied to a university and offering lower rents (these are called "nomination" schemes) and those run by the private sector charging higher rents ("direct let" schemes). The appraisals show that the nomination schemes are likely to require cross-subsidy from universities to make them viable. None could provide 35% affordable housing, which

is a requirement of the Core Strategy, and CIL. On the other hand, the direct let schemes appraised are generally viable and can afford to provide affordable housing and CIL.

The council is therefore proposing to amend the CIL charging schedule by defining the two types of student accommodation. A nil charge is proposed for nomination schemes and a CIL of £100 per square metre for direct let schemes. All of the direct let schemes appraised could afford that charge. To benefit from the nil charge, universities would need to enter into a section 106 agreement with the council to tie rents to a maximum of £168 per week, over a period of at least 7 years (7 years is the relevant period for securing charitable relief from CIL).

362 311 3. We wish to reinforce our previous comments on the application of CIL and on the Infrastructure Plan.

A.) we welcome the recognition in response to our previous comments that 'where appropriate a proportion of CIL receipts may be set aside for revenue costs associated with the management and maintenance of ... infrastructure' but the implication is that this is only permissible for infrastructure created with the use of CIL. This is not our understanding of what is permissible. It is our contention that with the very high levels of footfall in the South Bank area and the increasing pressure on council finances CIL may well need to be applied to revenue costs to maintain an acceptable level of public realm management and maintenance and that if high standards are not achieved development, especially office development, will be less likely to come forward. Revenue support from CIL will therefore be required to underpin growth.

B.) we support the representations made by TfL for the inclusion of improvements to the public realm and pedestrian environment in Blackfriars Road in the Plan.

C.) we are encouraged by the flexibility and local engagement that is envisaged for future changes to the infrastructure plan and delivery arrangements for CIL.

However we are disappointed that none of these responses is referenced in any way in the draft

A) The CIL regulations 2010 (as amended) have widened the use of CIL receipts to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.

B) We have amended the Infrastructure Plan to include the proposed Blackfriars Road improvements.

C) Comments noted. We have amended the Infrastructure Plan to include reference to its on-going review and also the council's Community Infrastructure Project List and liaison with local communities. The background evidence paper sets out further detail on consultation with the local community.

4. We have set out further detail to the new Community Infrastructure Project List and process

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charging schedule, Draft Regulation 123 list or February 2013 Infrastructure Plan.

4. We note that government policy is now that 25% of CIL will be allocated to the neighbourhood where it is covered by a Neighbourhood Plan. As the area of Southwark in which South Bank Employers' Group has the strongest interest is likely to be covered by either the Bankside or South Bank Neighbourhood Plan this point is now met. We would however repeat that we would wish to see strong mechanisms for local consultation over the application of the neighbourhood allocation of CIL. At present the neighbourhood project bank arrangements provide only for consultation with residents through community councils. We would like to see a more formal arrangement for consultation on priorities with business and business representative organisations.

5. The Southwark- Lambeth borough boundary in the South Bank Employers' Group area is an extremely artificial one. Many of the infrastructure needs from development on either side of the boundary impact across the borough boundary. The response to our previous comments to this effect is extremely disappointing. The issue will best be addressed by a cross-borough neighbourhood plan but if this is not achieved we would wish to see far closer cross borough collaboration on the prioritisation and application of planning gain than is evident at the moment, reinforced by strong local consultative arrangements about the application and prioritisation of funds arising from development.

of allocation of funds in the CIL Background evidence paper.

5. The CIL regulations also permit a charging authority to apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure outside its area where to do so would support the development of its area. It must be noted that the infrastructure set out in the Infrastructure Plan is not an exhaustive list. It is intended to be a 'living' document which can be updated regularly. Omission of infrastructure items from the list would not preclude such items being funded in the future through CIL. Nor does the infrastructure plan commit the council to spending the amounts set out in the plan.

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445 360 I am writing on behalf of the Berkeley Group in response to the publication of your Draft Charging Schedule (DCS).

**Introduction & Summary**

As you will be aware Berkeley Group are London's leading house-builder, and have an active interest in Southwark including developments at One Tower Bridge, One Blackfriars, Chambers Wharf and Camberwell Grove. These developments constitute a massive investment in new homes and places in Southwark in the coming years. This includes the delivery of new on site affordable housing, £40 million in contributions to affordable housing elsewhere in Southwark and over £10 million in infrastructure investment. Together these developments will provide homes nearly equivalent to Southwark Council's London Plan annual housing target.

The Group made representations to the Preliminary Draft Charging Schedule (PDCS) in September 2012, and is concerned that the Council does not appear to have addressed these points in the Draft Charging Schedule. Since the submission of those initial representations the Government has issued new statutory CIL Guidance (December 2012) which includes clearer

We have set out explanation in the CIL Background paper on the amounts raised in recent years through Section 106 Agreements and the extent to which affordable housing and other policy targets (e.g. housing supply) have been met, to address the specific requirement of CIL Guidance.

The CIL Background paper and updated CIL Viability Study provide further explanation of how the council has addressed the CIL guidance and CIL regulations 2010 (as amended).

requirements on the evidence Councils should use when considering proposed CIL charges and how they, and Examiners, should interpret the 'balance' to be struck between the need for infrastructure and the risk to development as set out in the regulations. Having reviewed the revised documentation issued by the Council to support its DCS we do not believe that the information provided meets the new requirements, and we consider that information that is provided is unclear. It is therefore difficult to make any detailed response to the viability assessments, or to judge whether the proposed charging rates are supported by the evidence.

When the proposed rates are compared to what the Council has secured from previous Section 106 agreements, as Berkeley did in its initial submissions and the Council is now required to do by the Guidance, it is clear that proposed rates are significantly above what has previously been achieved.

#### Requirements on Local Authorities in Charge Setting

The Government's intention for the Community Infrastructure Levy is that it should have "a positive economic effect on development across an area". Local authorities are required to follow detailed regulations and guidance in setting their CIL charges.

CIL is supported by two pieces of primary legislation: Part 11 of the Planning Act 2008 and Part 6, Chapter 2 of the Localism Act 2011; and three sets of regulations (2010, 2011, and 2012). The Secretary of State "may give guidance to a charging authority or other public authority (including an examiner) about any matter connected with CIL; and the authority must have regard to the guidance". (S221, Planning Act 2008)

In relation to setting rates, Regulation 14 of the 2010 regulations requires that a charging authority, "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". The CIL Guidance (December 2012), replaces the previous (2010) guidance and reflects the strong emphasis in the National Planning Policy Framework on ensuring that development is viable and the overriding national need to support sustainable growth.

It sets out more clearly how the test set out in Regulation 14 should be interpreted and provides more details of the 'appropriate evidence' to which the Charging Authority, and the Examiner at the subsequent examination, should have regard when assessing the impact of proposed charges on viability. Charging authorities are legally required to have regard to this guidance when setting

their proposed CIL levels.

We believe that Southwark Council needs to undertake additional work, in consultation with developers and others, to be consistent with this statutory guidance and therefore for any resulting charging schedule to be legally compliant.

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445 361 CIL and the Relevant Local Plan

Paragraph 4 of the CIL Guidance states that “Charging schedules should be consistent with and support implementation of up-to-date Local Plans in England...and the London Plan in London”, and, in defining the ‘Appropriate Balance’ in Regulation 14 that “the ability to develop viably the sites and the scale of development identified in the Local Plan should not be threatened.”

The main elements of the London Plan (2011) directly relevant to the Southwark CIL charge setting process are:

- A target of 60,000 growth in employment from 2007 to 2031 (Table 1.1)
- The identification of Opportunity Areas (Waterloo (part), London Bridge, Borough & Bankside, and Elephant & Castle, and an Area for Intensification (Canada Water);
- A residential target of 20,050 homes, or 2,005 per year to 2021

The Local Plan is defined in the National Planning Policy Framework (NPPF) as “Current core strategies or other planning policies, which under the regulations would be considered to be development plan documents” (Annex 2). This includes the saved parts of the Southwark Plan, the Core Strategy (2011) and the Area Action Plans.

The Viability Study undertaken by BNP Paribas (BNPP, 2013) to support the DCS briefly refers to Local Policy Context at paragraph 2.9. This refers mainly to the Affordable Housing Requirement in the Southwark Core Strategy and the Mayor’s CIL and Crossrail SPD.

There is however no cross referencing between the 48 sample sites identified in the Viability Study and the locations and types of sites identified in Southwark’s Local Plan, or the area designations in the London Plan. Nor does the assessment appear to take any account of likely requirements and obligations arising from Area Action Plans, such as that for Canada Water, which in many cases includes on site provision such as health or other community facilities. Such ‘abnormal’ costs can have significant impacts on site viability.

Given the way that the Viability Study is presented there is no real way to test the claim set out in paragraphs 2.16 to 2.20 - that the sites undertaken in the assessment reflect a ‘substantial proportion’ of the likely development pipeline.

The CLG CIL Guidance (April 2013) identifies at paragraph 27 that, ‘a charging authority should sample directly an appropriate range of types of sites across its area in order to supplement existing data’. Further, the Guidance sets out that ‘the focus should be in particular on strategic sites on which the relevant Plan relies and those sites (such as brownfield sites) where the impact of the levy on economic viability is likely to be most significant.’

This study has taken a locally specific approach appraising 52 sample developments identified by the Council based on actual schemes. These are considered by the Council and BNP Paribas Real Estate to reflect the range of sales/capital values and also sizes/types of developments and densities of development from a range of existing uses that have and will come forward across the borough. For the purposes of this exercise, it is not possible to provide a reliable estimate of what exceptional costs would be, as they will differ significantly from site to site. The analysis therefore excludes exceptional costs, as to apply a blanket allowance would generate misleading results. An ‘average’ level of costs for decontamination, flood risk mitigation and other ‘abnormal’ costs is already reflected in BCIS data, as such costs are frequently encountered on sites that form the basis of the BCIS data sample. The built form of a building addresses flood risk etc and the cost multiplier in the BICS reflects this. Costs of dealing with abnormal ground conditions

are addressed on average through piling solutions, which are reflected in BCIS.

As recommended by the guidance, a large number of the sample sites tested relate to the development of strategic areas for growth upon which the Core Strategy relies. Figure 3.17.2 of the CIL Viability Study identifies the location of the opportunity areas/action areas in the borough and the sample development sites for testing.

We note that over 75% of the council's 5 year supply of homes already has planning permission. The council is reliant on the delivery of numerous sites to meet its London Plan housing targets: there are only two sites which account for more than 5% of the council's 10 year housing target, being the Heygate estate redevelopment (which has planning permission) and the Aylesbury estate redevelopment (the first two sites of which have permission).

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445 362 Viability Study

Site Selection and Assessment

As noted above it is not clear what the process was for the selection of the sites for assessment. The presentation of the sites and information on them is also complex and confusing. The number of sites that have been assessed is unclear. Paragraph 4.1 (under the heading 'Residential Development') states that 56 sites have been assessed. Paragraph 5.3 states that 53 developments have been assessed. Although the numbers in the summary table, and associated appraisal sheets go up to 53, as far as we can tell there are only 48 site appraisals. It would be useful for the Council to clarify what the number of sites that has been assessed is and why, if any, sites have been removed from the assessment.

The CIL Viability Study has run appraisals of schemes identified as representing the broad spread of development coming forward across the borough. The sample includes wholly residential schemes, wholly commercial schemes, and mixed use schemes. Strategic sites tested are identified in the results tables in bold. Details of the schemes are provided at Appendix 2 of the study. There are a total of 52 sites and 2 scenario appraisals. No sites have been removed since the start of the process, however additional sites have been added

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445 363 Appraisal Inputs (Section 4)

Section 4 of the document describes the appraisal inputs. Small variations in these inputs could have a significant impact on the outputs from the appraisal, and it is not clear how they have been

The CIL Viability has been updated to include a table of the inputs into the appraisals. This is set out in Appendix 3.

followed through into the individual appraisals in the Appendices. It would be helpful if the Council were to produce a tabulated list of all of the inputs for each appraisal so that it is possible for consultees to test these assumptions against their own data and knowledge.

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445 364 Development Period for Major Sites

Of particular importance on large developments is the development period including securing necessary consents, the construction period, and sales periods. The long duration of such developments, higher levels of risk associated with that, and the carrying costs of financing the development can be very significant. Paragraph 4.15 does not set out in any detail the assumptions on this apart from a very high level statement on sales rates. It is not possible to consider the reliability of the assessments on large residential developments (for example, the ten sites of over 200 homes) without such information.

The CIL Viability has been updated to include a table of the inputs into the appraisals. This is set out in Appendix 3. BNPP have included a range of reasonable assumptions.

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445 365 Mayor's CIL and Crossrail SPD, and Residual Section 106 Requirements

This problem is compounded by the way that the appraisals deal with the Mayor's CIL and the Crossrail Section 106 contributions. These are dealt with in the appraisals as a residual when they would be more appropriately be included as a development cost, the timing of which should be in line with the Mayor's instalment policies set out in the Use of Planning Obligations in the Funding of Crossrail and the Mayoral Community Infrastructure Levy SPD (April 2013). Similarly on the larger developments the Council should consider the potential impacts of the phasing of Borough CIL payments, which, as currently proposed would be a significantly greater imposition than the Mayor's CIL.

Since the last consultation stages, the section 106 costs inputted into the viability appraisals have been increased from £1,000 per home to £1,500 per home as a result of further analysis. Further justification is explained in the CIL background paper.

The Viability Study also assumes that residual Section 106 requirements will be at £1,000 per dwelling. We welcome the fact that the Council has published its draft list of relevant infrastructure (Regulation 123 list) at an early stage. This includes a list of items for which (as long as that list is in place and noting that it can be revised with no notice or consultation) Section 106 may not be required.

Further details of the assumptions used in the viability appraisals are provided for each development in the schedule in Appendix 3 of the CIL Viability Study.

The Council's list includes limitations on a number of specific items but would still allow for Section 106 agreements to require:

- Any transport improvements not explicitly listed, which could include most improvements to local roads, site access and public transport contributions. In addition, Section 278 agreements through which transport improvements are secured are not covered by the legal restriction;
- All open space improvements other than those to District Parks;
- New primary school provision and land requirements;
- Land for secondary schools;

- On site health provision;
- On site library provision;
- Sports provision with the exception of six specific improvements; and
- Any general community provision either on or off site.

As noted above it is clear that planning policy continues to place a range of notional obligations on development which could be secured through Section 106 agreements, and that the Mayor's strategic policy will be to maximise investment in transport infrastructure.

Our assessment of recent Section 106 agreements in Southwark using the Molior Database suggests that up to two thirds of current contributions may not be covered by the Regulation 123 list. This would equate to around £6,000 per home. Employment and training accounts for around 5% of contributions; general environmental contributions; around 13%; community contributions, around 15%; and transport contributions around 30%. These are all on agreements which have been signed since the CIL regulations were adopted in 2010 and the tests were made statutory.

It would be helpful if the Council were to either revise the list of relevant infrastructure to further limit contributions, or alternatively to assume a higher site specific Section 106 requirement in viability assessments.

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445 366 Appraisal Outputs & Conclusions (Section 5)

The Viability Study then produces residual appraisals for the 48 sites to identify a notional 'surplus' from which obligations, including Mayoral CIL and Borough CIL can be drawn. We have two concerns in relation to this. The first is around how the residual is calculated and allocated and the second is in relation to how conclusions are drawn about appropriate CIL charges.

Page 41, paragraph 6.43 of the CIL Viability Study sets out the process of recommending appropriate CIL rates

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445 367 Exclusion of Social Housing

Appendix 2, in identifying Chargeable Floorspace, against which potential CIL charges are calculated, assumes that all gross affordable floorspace is exempt from CIL. This is not the case. Social Housing is eligible for relief but this is being interpreted by the Mayor of London in the SPD described above as being only those areas "let or leased to prospective occupiers. It is likely on this basis that most common areas will not benefit from this relief." (para 4.19). On this basis it is likely that only the net area of social housing floorspace will be eligible for relief and that therefore 20 to 30% of floorspace may be chargeable development. The chargeable floorspace assumptions in the appraisals should reflect this.

Appendix 3 of the CIL Viability Study sets out the assumptions applied in the viability appraisals.

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445 368 Deduction of Existing Floorspace

Appendix 3 of the CIL Viability Study sets out the assumptions applied in the viability appraisals.



The appraisals appear to assume that existing floorspace meets the tests set out in Regulation 40 to allow it to be deducted from the chargeable development – namely that it is occupied for six of the twelve months prior to permission first allowing development. In practice we assume that this test will not be met in many cases. Other appraisals that we have seen undertaken by the same consultant have not discounted this floorspace for this reason. The appraisal should at least test the effect of existing floorspace not being deducted from the chargeable development.

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445 369 Benchmark Land Values

The outcomes of the appraisals are significantly influenced by land value assumptions. These are based on a notional existing or current use value, combined with an uplift for the landowner which in the view of the consultant would be sufficient for them to bring the land to market. The notional uplifts seem to be arbitrary and vary significantly - ranging from 10% to 25% - although in some cases no uplift is specified (see Appendix 2). The consistent application of this higher (25%) end of the range would see the identified 'surplus' on a number of these sites significantly reduced, particularly those in the north of the Borough.

The Council's consultants do not appear to have justified these values or provided appropriate available evidence to support them.

The existing use value for each site tested in the Viability Study is determined by the existing use/building on the site, based on local market rents and yields or land values for the relevant property type. These values are therefore based on local market information.

A premium has been applied to each existing use value within a range of 10% - 25% based on the perceived investment value of the property, which relates to the current condition of the premises and the occupancy and likely demand for the property in question. A standard premium has not been used because the study includes actual development sites, unlike other viability studies which have tested notional sites.

For some sites, information on benchmark land value was provided by the Council, based on previous valuations undertaken for the Council as to the value of the site for disposal purposes. Details of the benchmark land values, and our assumptions in arriving at each value, are provided for each development in the schedule in Appendix 2 of the CIL Viability Study.

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445 370 Recommended Rates

Notwithstanding the issues we have raised above, which if addressed we would expect to significantly reduce the notional 'surplus' available for CIL, we also have concerns about how the evidence has been summarised and how conclusions have been drawn about appropriate rates of CIL.

Table 4.2.1 of the CIL Viability Study sets out the range of residential sales values adopted in the appraisals in the three identified Charging Zones. There are significant variations in residential sales values between different parts of the borough, with areas to the north of the borough (especially

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The CIL Guidance states that authorities should avoid setting charges at the margins of economic viability and that “charging rates will contribute positively towards and not threaten delivery of the relevant Plan as a whole at the time of charge setting and throughout the economic cycle.” (Para 30)

One thing that is immediately apparent from looking at the appraisals, which confirms the Berkeley Group’s experience working across the Borough, is that there are very significant variations in viability not only between different parts of Southwark but also between different sites in the same part of the Borough.

From Table 6.6.1 it is not at all clear that the Council meets the requirements of Regulation 13 and paragraphs 34 and 40 of the CIL Guidance that there is ‘consistent evidence relating to economic viability that constitutes evidence for such differences in treatment’ between Zones 1 and 2 and Zone 3. The Viability Study (para 6.41) states that zone boundaries have been based on mapping of house prices.

However it is not only end use values but the interaction of land values, development values and costs which determine viability.

Furthermore, even on the basis of what we regard as significant overestimates of site surpluses in the current appraisals five sites in the proposed Zone 3 (Sites 11, 20, 21, 28 and 42) would have maximum CIL levels below those proposed. These sites account for 2,500, 76, 143, 287 and 458 homes respectively, and are just under a third of the sampled sites in Zone 3.

The variation in site circumstances in Southwark compared to other charging authorities who may have more standard site conditions, and existing uses, amplifies the risks set out in paragraphs 6.37 to 6.39 of the Viability Study. Seeking to set an ‘average rate’, without proper regard to the scale and types of sites and the range and variation of viability of such sites has the potential to harm viability on a large number of sites, or on larger sites which are essential to delivery of the plan.

This would either risk those sites not being brought forward for development, or result in significantly lower levels of affordable housing being delivered. As has been established at recent examinations, changes to affordable housing policy should be undertaken and tested through the local plan process and not, by default, through CIL charge setting.

In relation to B Class uses the viability assessment includes four site typologies in the proposed

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riverside locations) with the highest values and parts of Peckham, Faraday, Livesey and Camberwell Green wards with lowest values.

The CIL Background paper also includes a map at Appendix 1 which shows a house price ‘heat’ map, which provides evidence to justify the proposed zone boundaries.

Further viability testing has been carried out since the previous consultation. We have been mindful that the benefit of generating funding for infrastructure needs to be balanced against the imperative of continuing the supply of new homes and creating affordable housing, which are key objectives of the Core Strategy. We are therefore proposing a reduction in the residential rate for Zone 2 (which was Zone 3) from £250 to £200 per sqm as a result of the fact that the expectation about the amount of section 106 planning obligations which will be negotiated has been increased (we previously estimated £1000 per home and have raised that to £1,500 per home) and the need to comply with new government guidance which stresses that CIL should not stretch economic viability to the limit.

CIL guidance states at paragraph 27 ‘The legislation (section 212 (4) (b)) requires a charging authority to use appropriate available evidence to ‘inform the draft charging schedule’.

Furthermore, at paragraph 28 and 29 it states, “In proposing a levy rate(s) charging authorities should show that the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole” ....”Charging authorities should avoid setting a charge right up to the margin of

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Zone 1 charging area (Table 6.27.1). Of these two are identified as having a (small) capacity to pay CIL of £86 and £107. The other two would have substantial deficits. The Council has proposed a slightly lowered CIL rate from the £100 in the PDCS to £75. This would equate to 87% and 70% of the two sites which have a positive appraisal. This does not appear to be a significant buffer, particularly given the low (£30 per square metre) assumptions on Section 106 contributions, and would appear to put at risk the development of all of the sites that the Council has assessed. Given the very significant London Plan target for employment growth in the Borough, this could have an impact on the achievement of London Plan targets.

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economic viability across the vast majority of sites in their area. Charging authorities should show, using appropriate available evidence, including existing published data, that their proposed charging rates will contribute positively towards and not threaten delivery of the relevant Plan as a whole at the time of charge setting and throughout the economic cycle.”

The CIL Viability Study has included actual development sites that make up a substantial proportion of both the type and quantity of development expected in the first ten years of the plan period. The locations of the sites also cover the major regeneration areas in the borough (represented in Figure 3.17.2) These are considered by the Council and BNP Paribas Real Estate to reflect the range of sales/capital values and also sizes/types of developments and densities of development from a range of existing uses that have and will come forward across the borough.

The viability testing has looked at proposed developments which are acceptable in planning policy terms (including affordable housing requirement of 35%) to ensure the deliverability of the plan is not affected by the proposed CIL rates. As the proposed CIL rates equate to less than 5% of build costs, their potential affect can be read within the sensitivity testing which shows the impact of a further increase in build costs and sales values. This is set out in Appendix 2 of the study.

Furthermore, according to Land Registry data, residential sales values in Southwark have recovered since the lowest point in the cycle in

June 2009. Savills' current prediction is that values are expected to increase over the next five years. Medium term predictions are that properties in mainstream London markets (i.e. non-prime) will grow over the period between 2014 to 2018. Savills predict that values in mainstream London markets will increase by 8.5% in 2014, 6% in 2015, 4% in 2016, 2% in 2017 and 2% in 2018. This equates to cumulative growth of 24.4% between 2014-2017 inclusive; whilst prime central London markets will increase by 23.1%. These compare to a UK average of 25.2% cumulative growth over the same period. The RICS BCIS database forecasts growth in base build costs in Southwark between November 2013 and September 2018 of circa 16%. This would equate to a real growth of circa 8.4%

The council is proposing to maintain the proposed charge for office space in CIL zone 1 at £70 per sqm. Office rents in the borough's prime office locations have been rising over the last 12 months and office schemes in zone 1 should be able to absorb Southwark's CIL, as well as the Mayor's Crossrail s106 which is also payable. Market commentary is set out within the CIL Viability Study, which confirms that the take up in the prime SE1 office market picked up significantly in the second quarter of 2013, with a number of transactions taking place. Rental levels achieved for good quality/Grade A space provided in locations such as More London, Southwark Street and Blackfriars Road are circa £45 per sq ft and above. This is 60% higher on average than office rents for lower quality stock and offices elsewhere in the borough (i.e. £25 per square foot). The viability appraisals of office schemes across the borough confirm an average maximum borough

CIL of £263 per square metre. Removing the viable schemes in Zone 2 this reduces the maximum viable CIL rate to £82 per square metre. A modest CIL requirement of £70 per square metre in Zone 1 is unlikely to prevent new schemes coming forward.

Most boroughs have differentiated rates for office space. The charge proposed in zone 1 in Southwark is similar to the rates proposed by other boroughs in their main office areas. These include: Lambeth (£125); the City (£75); Tower Hamlets (£120/£60); Wandsworth (£100) and Croydon (£120).

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445 371 Evidence on Section 106 and Affordable Housing

Paragraph 22 of the CIL Guidance (2012) suggests that “the charging authority should also prepare and provide information about the amounts raised in recent years through Section 106 agreements. This should include the extent to which affordable housing and other targets have been met.” Berkeley Group’s original representations, with supporting evidence from Gerald Eve, included an initial analysis of recent Section 106 agreements in Southwark, using the Molior database (a commercial database of planning decisions in London and associated Section 106 agreements). This demonstrated that a comparison of achieved Section 106 agreements to CIL showed that the application of CIL to these developments would result in a very significant increase on current obligations.

We have undertaken further analysis of the updated Molior database which now includes 17 developments consented since 2010. Average Section 106 per private home equates to just under £11,000, excluding off site affordable housing contributions and Mayoral CIL. Average affordable housing achieved on these developments was 20%, rising to 25% if you exclude those developments where affordable housing was provided off site through commuted sums.

The assessment also confirms the very wide variation in contributions that sites were able to make. Ten of the 17 equate to less than £10,000 per home, three equate to £10,000 to £20,000 and four to more than £20,000. The rates proposed by LB Southwark are effectively setting CIL contributions at the top end of this range, and significantly above what has been previously achieved. We assume that the majority of these developments have already been subject to open

We have updated the CIL background paper to address the requirement in the CIL guidance.

book appraisal and meet the London Plan requirement to achieve “The maximum reasonable amount of affordable housing.” (Policy 3.12).

We would suggest that it is essential that the Council undertake a proper review of previous site specific appraisals, levels of affordable housing, and Section 106 contributions, and make clear why the proposed CIL rates differ so significantly from these.

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445 372 Conclusion

Having reviewed Southwark’s Draft Charging Schedule and its associated documentation, we remain concerned that the Council has not followed Statutory Guidance and that the proposed charging rates could have a significant impact on development across the area, including on affordable housing delivery.

Our particular concerns are:

- The Council does not appear to have properly considered impacts on the Local Plan and London Plan;
- A number of inputs to the viability assessments remain unclear, particularly on development timescales for major developments, which makes it impossible to ascertain their reliability;
- Approaches to land values appear to be internally inconsistent;
- Even with assumptions which we believe overstate development surplus, the proposed CIL rates would see a significant number of residential sites unviable, and that the zonal boundaries have not been properly justified;
- The Council has not tested benchmarked CIL rates against Section 106 levels and affordable housing delivery on recent developments.

We would suggest that prior to finalising the Draft Charging Schedule the Council should consider undertaking additional work to meet the requirements of the new guidance, consult with landowners and developers on this information, and review the proposed charges in the light of that consultation with a view to making modifications to the proposed charges. Our current view is that the Council’s evidence to date suggests that there should be no charge for B Class uses anywhere in the Borough, that residential rates in Zones 1/2 and Zone 3 should be reduced and that there should be no charge for “All Other Uses” as the Council appears to have provided no evidence to support this categorisation. Berkeley Group is keen to continue to engage with the Borough to address these issues to help ensure that Southwark is able to deliver the infrastructure it needs, whilst maintaining the very high levels of development and investment in the Borough and delivery of its housing targets. They would also like to reserve the right to be heard at the CIL Examination in Public.

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Both the CIL Viability Study and CIL background paper have been updated to clearly set out how we have addressed the CIL statutory guidance and to address the concerns expressed in the previous consultation.

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619 382 Page 20 Health Facilities

Could the following wording replace what is in the draft

“Southwark NHS have a strategic plan for the period 2010/11 – 2014/15. This plan focuses on the need to continue to modernise the existing primary care estate and investing for new build, to improve the current poor quality premises and the anticipated rises in population and increases in demand on healthcare this will create.

NHS Southwark acknowledges a need for new facilities to provide additional services to the growth areas in Southwark, ie Elephant and Castle, Bankside and Canada Water. The existing primary care estate in these areas are cramped, functionally unsuitable and structurally incapable of coping with the planned increases in population. At this stage, no specific schemes have been drawn up due to funding limitations and sites being identified”

Page 21 Peckham

Peckham: “Potential for improved utilisation of the Lister Health Centre and Sunshine House on the Peckham road, to increase the level of services currently provided. Lister Health Centre could become the hub for community services for Camberwell, Nun head and Peckham, if the building is funded to allow for a major extension and reorganisation of the building.”

We have updated the infrastructure plan following further discussions with NHS Southwark. The IP is intended to be a living document and can be regularly updated.

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643 299 Re: London Borough of Southwark Local Plan: Draft CIL Charging Schedule (CIL Regulation 16 (2)) Consultation

Comments noted.

Thank you for consulting the Environment Agency on the above document which we received on 21 February 2013. We have been closely involved in supplying data and information to support the Local Plans evidence base including the Core Strategy. We are pleased to note that Storm Water Storage Areas: Dulwich, Peckham Rye, Camberwell and North Peckham have been included in the Draft Regulation 123 List.

It appears the Draft Charging Schedule meets the statutory tests in accordance with sections 212(4) and 221 of the Planning Act 2008 as amended having complied with the requirements of the Act and the Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012).

Please do not hesitate to contact me should you wish to discuss this further.

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659 347 We act for Peabody, who have an interest in a number of development sites within the London

Further viability testing has been carried out since the last consultation stage. The Council is now

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Borough of Southwark and write in relation to the consultation on the Council's Draft Charging Schedule for the proposed Community Infrastructure Levy ('CIL').

Although Peabody didn't take the opportunity to comment on the first round of public consultation they have reviewed the submission of representations made by developers and landowners in October last year in respect of the Preliminary Draft Charging Schedule which raised a number of significant concerns related to the approach and evidence underpinning the Council's proposed CIL rates. It is noted that only very minor changes have been made in relation to those representations made which include:

- A reduction in the CIL rate for Office development in Zone 1;
- Changes to the definitions of retail development (previously done on floorspace and now divided into the type of retail use);
- Removal of a separate affordable retail space category;
- Amended and simplified descriptions for health and education uses; and
- The CIL Rate for all other uses reduced from £50 to £30 in all Zones.

Peabody would like to take the opportunity to add to the points that have been made to date on the Draft Charging Schedule the majority of which are still applicable.

Overall, Peabody consider that the proposed CIL rates pose a serious risk to the viability and deliverability of development within the Borough. Peabody has extensive experience of market conditions and viability within Southwark, and wishes to achieve future viable planning consents and deliver new homes, jobs and infrastructure.

We set out below a summary of Peabody's key comments.

1.  Relationship with National Planning Policy Framework

The National Planning Policy Framework ('NPPF') provides important steers in the formulation of CIL charging schedules with the intent that CIL should support and incentivise new development. The NPPF explains that development identified in Local Plans should not be subject to a scale of obligations and policy burdens that their ability to be developed viably is threatened.

Peabody consider the NPPF has not been adequately considered by the Council and that the proposed Draft Charging Schedule remains a significant additional cost burden on development which runs the risk of actively discouraging development within the Borough.

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proposing the changes set out below and explained further in the CIL Viability Study and the CIL Background paper.

- Residential zone 1: maintain the £400 per square metre charge but move the eastern boundary to include Shad Thames.
- Residential zone 2: delete this zone by splitting it between zone 1 and the zone which includes Canada Water, Bermondsey and Elephant and Castle.
- Residential zone 3: change to 'zone 2' and reduce the charge from £250 per square metre to £200 per square metre.
- Residential zone 4: change to 'zone 3' and maintain the charge at £50 per square metre.
- Student housing: Reduce the charge from £250 per square metre to £100 per square metre in the case of direct-let rent schemes and £0 for nomination rent schemes
- Retail: maintain the differential rates of £250 per square metre and £125 per square metre but exclude town centre car parks

Overall it is considered that the proposed CIL rates represent an appropriate balance between generating funding to secure provision of infrastructure and ensuring that CIL does not put development and regeneration in the borough at risk.

We have been mindful that the benefit of generating funding for infrastructure needs to be balanced against the imperative of continuing the supply of new homes and creating affordable housing, which are key objectives of the Core Strategy. The reduction in the residential rate for Zone 2 is recommended as a result of the fact that



the expectation about the amount of section 106 planning obligations which will be negotiated has been increased (we previously estimated £1000 per home and have raised that to £1,500 per home) and the need to comply with new government guidance which stresses that CIL should not stretch economic viability to the limit.

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659 348 2.Compliance with Statutory Guidance:

Charging Authorities are legally required under Section 221 of the Planning Act to have regard to the CLG statutory guidance document – ‘Community Infrastructure Levy: Guidance’ (December 2012) – when setting their proposed CIL rates. The Guidance provides detailed guidelines in relation to the CIL setting process and contains requirements for Councils and Examiners in establishing whether CIL rates are appropriate.

The Guidance was published post publication of the Council’s Preliminary Draft Charging Schedule and it is unlikely that the Council has yet had the opportunity to consider the implications of the Guidance. As a result the Council’s evidence base may need to be updated and further consulted upon to reflect these changes.

We have set out in the CIL background paper how we have addressed the CIL statutory guidance in the rate setting process.

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659 349 3.Relationship with the Development Plan

In applying the CIL setting tests contained within both Regulations and Guidance, an understanding of the nature of development proposed across the Charging Authority’s area is vital. This must be derived from the relevant up-to-date Development Plan (including all Development Plan documents).

The Charging Authority’s CIL evidence needs to be able to conclude that the proposed rates will be viable for the sufficient number and type of developments upon which the Development Plan relies over the course of the Plan period.

It is unclear, firstly, how the Development Plan in this case (the London Plan, Southwark Core Strategy, and various Area Action Plans) has informed the proposed CIL rates and, secondly, how the proposed rates will impact on the deliverability of the Development Plan (including both Borough-wide and area specific policy targets as well as the Council’s housing pipeline). This needs further consideration and justification.

The CLG CIL Guidance (April 2013) identifies at paragraph 27 that, ‘a charging authority should sample directly an appropriate range of types of sites across its area in order to supplement existing data’. Further, the Guidance sets out that ‘the focus should be in particular on strategic sites on which the relevant Plan relies and those sites (such as brownfield sites) where the impact of the levy on economic viability is likely to be most significant.’

This study has taken a locally specific approach appraising 52 sample developments identified by the Council based on actual schemes. These are considered by the Council and BNP Paribas Real Estate to reflect the range of sales/capital values and also sizes/types of developments and densities of development from a range of existing

uses that have and will come forward across the borough.

As recommended by the guidance, a large number of the sample sites tested relate to the development of strategic areas for growth upon which the Core Strategy relies. Figure 3.17.2 of the CIL Viability Study identifies the location of the opportunity areas/action areas in the borough and the sample development sites for testing.

We note that over 75% of the council's 5 year supply of homes already has planning permission. The council is reliant on the delivery of numerous sites to meet its London Plan housing targets: there are only two sites which account for more than 5% of the council's 10 year housing target, being the Heygate estate redevelopment (which has planning permission) and the Aylesbury estate redevelopment (the first two sites of which have permission).

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659 350 4.Viability Approach/Methodology

CIL is a form of tax and, once rates have taken effect within a particular area, it cannot be negotiated to suit particular circumstances. Therefore, coupled with the current economic climate, it is critical that Charging Authorities approach CIL setting with a great deal of caution and ensure rates are based on evidence that reflects the normal circumstances under which development viability is assessed and land is released.

It is essential that CIL rates are based on evidence that considers current market conditions. This is in-keeping with the NPPF, in linking 'willing sellers' of land, 'competitive returns' (paragraph 173), willing buyers and other relevant guidance. Market testing and understanding how developers/landowners bring development land forward is clearly integral to this. Indeed, the LHDG document 'Viability Testing Local Plans' (2012) and the RICS's 'Financial Viability in Planning' both talk about the importance of market testing and market 'sense-checking'.

It is recognised that there is no one set way of assessing development viability and the extent to

The existing use value for each site tested in the Viability Study is determined by the existing use/building on the site, based on local market rents and yields or land values for the relevant property type. These values are therefore based on local market information.

A premium has been applied to each existing use value within a range of 10% - 25% based on the perceived investment value of the property, which relates to the current condition of the premises and the occupancy and likely demand for the property in question. A standard premium has not been used because the study includes actual development sites, unlike other viability studies which have tested notional sites.

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which market value is taken into account varies across different approaches taken. The market value of land is clearly a central concern for developers when considering whether or not to release land for development. Peabody consider that understanding market value, and the effect on the market value of land resulting from CIL charges, is vitally important in ensuring CIL rates reflect normal circumstances and the considerations associated with bringing Development Plan sites forward.

The Council's Viability Study demonstrates an inconsistent approach in terms of what price it assumes land-owners will bring land forward at. The Study mainly assumes that this will be at the equivalent of current use value plus a percentage premium, but there is no justification for the percentages assumed and very little justification for the adopted current use values (which appear low). Furthermore, there is no market testing or 'sense checking' between the values that have been assumed and land values evident from the market (which could be, and should have been, sourced from; land agents, various data sources and the Land Registry).

It is accepted that over time CIL rates ought to depress land values to a reasonable degree, however Peabody are concerned that the Council cannot know what relative effect their CIL rates will or might have in the absence of market testing.

In-keeping with the NPPF, Peabody propose the need for further CIL viability studies which involve market testing. This needs to be undertaken before it can be appreciated what effects the proposed CIL rates may have on the market and delivery of development.

For some sites, information on benchmark land value was provided by the Council, based on previous valuations undertaken for the Council as to the value of the site for disposal purposes. Details of the benchmark land values, and our assumptions in arriving at each value, are provided for each development in the schedule in Appendix 2 of the CIL Viability Study

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659 351 5.Residual Section 106 and Section 278 assumptions

The BNPP Viability Study, which underpins the Council's Draft Charging Schedule, includes a number of standard assumptions in relation to development costs. A central aspect of Government's introduction of CIL is that there will be a reduction of Section 106 costs. This will be dependent on particular site circumstances however, if a Charging Authority assumes a standard rate across its area then this should be approached with caution and needs to be justified.

Peabody is concerned that the Council has assumed standard Borough-wide rates for Section 106 (and Section 278) based on no analysis or justification. This is inappropriate for such a fundamental development cost and given its relationship with CIL rates. Justification needs to be provided on why a Borough-wide standard rate is provided as opposed to a differential rate according to location. For example sites at the very North of the Borough with River views will have much higher sales values than those sites which do not.

Since the last consultation stages, the section 106 costs inputted into the viability appraisals have been increased from £1,000 per home to £1,500 per home as a result of further analysis. Further justification is explained in the CIL background paper.

Further details of the assumptions used in the viability appraisals are provided for each development in the schedule in Appendix 2 of the CIL Viability Study.

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659 352 6.Phasing of Payments

The CIL Viability Study recognises the requirement

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The appraisals run by BNPP do not take into account the payment structure for the Mayoral CIL as set out in the Draft SPG: 'Use of planning obligations in the funding of Crossrail and the Mayoral Community Infrastructure Levy' (November 2012) which now proposes phasing of payments.

for developments to pay Mayoral CIL and commercial developments to pay Mayoral S106 contributions towards Crossrail in the Bankside Borough and London Bridge Opportunity Area. The appraisals include Mayoral CIL as a cost to development.

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659   353   7.Consideration of recent Section 106 Agreements and Affordable Housing delivery

The Council has not provided any evidence that considers proposed CIL rates against amounts raised in recent years through Section 106 Agreements and the extent to which affordable housing and other policy targets (e.g. housing supply) have been met. This is a specific requirement of CLG's 'Community Infrastructure Levy: Guidance' (December 2012). On representations made to date reference has been made to suggest that the CIL rates proposed by the Council are substantially in excess of amounts raised in recent Section 106 Agreements and that generally affordable housing policy targets have not been achieved. Having reviewed all of the strategic schemes that went to Committee over the past year it can be noted that in the majority of cases the level of affordable housing provision that may be delivered by each scheme varies. Indeed some schemes provide for 35% affordable housing but, a large proportion do not achieve the 35% target as a result of viability. Indeed Peabody have undertaken a review of a site they have an interest in within the north of the Borough and the estimated CIL would be nearly double the calculable S.106 charge. The result is that should the proposed LBS CIL tariffs be applicable then the level of affordable housing delivered by this scheme would be unlikely to be policy compliant resulting in less affordable housing provided than would otherwise be the case.

We have set out further detail on s106 agreements and the justification for the assumed residual s106 contributions in the CIL background paper. Since consulting on the draft CIL we have raised the assumption around the level of residual s106 from £1000 per dwelling to £1,500 per dwelling.

The Council therefore needs to justify how increased development costs can be achieved alongside policy compliant development, especially in respect of affordable housing.

In summary, Peabody consider that the Council needs to provide further information and evidence in relation to the above points.

Peabody wish to reserve the right to be heard by the CIL Examiner at the forthcoming Examination.

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669   338   Key Property Investments wrote to you on 16th October 2012 setting out our concerns about the proposed level of charges in Southwark's Preliminary Draft CIL Charging Schedule (PDCS). As you are no doubt aware we are proposing a significant mixed use scheme at Elephant & Castle Shopping Centre which is one of the most important regeneration projects in south London. The proposed CIL charges will have a significant impact on our proposals.

It is noted that KPI have no objection to the imposition of CIL on foodstores, but that the objection relates specifically to shopping centres.

The council has assessed two shopping

Having reviewed in detail the new Draft CIL Charging Schedule (DCS) and the supporting documents we maintain our previous view that the proposed rates will have a significantly adverse impact on the deliverability of our proposals. Moreover we consider that the methodology used and the conclusions derived from it do not pay adequate regard to market conditions and prevailing land values within the Borough and as such do not comply with the requirements of the CIL Regulations.

#### Retail Charging Rate

The PDCS proposed charging rates for retail based on size thresholds. Our previous representation set out our position that these thresholds were not justified by the financial analysis and viability modelling undertaken by the Council's consultants.

The DCS takes a different approach and has now set a charging rate which is to be applied to:

Destination superstores/supermarkets for weekly food needs, which can include non-food floor space as part of the overall mix of the unit, with car parking provision. Shopping centres/shopping malls are shopping destinations which comprise one or more buildings providing a range of services including shops, cafes and restaurants, connected by pedestrian walkways and with car parking provision.

This is certainly not a homogenous band of uses. The viability characteristics of large foodstores bear no resemblance to those of shopping centres. This is an important point because the analysis and viability of the latter category in the BNP report is extremely limited. (We certainly do not consider it appropriate to derive appropriate rates for shopping centres from the analysis of foodstores, if indeed that is what has been done).

The summary of analysis and "Maximum CIL rates" is set out on pages 28 & 29 of the January 2013 BNP report. There are 6 sites which are labelled as "Destination superstores / supermarkets / shopping centres / malls". Of these, as far as we are able to ascertain, three of them are either new foodstores or extensions to existing stores.

Of the remainder, Site 42 has a retail content of only 2,500 sq m (in the context of an overall scheme in excess of 60,000 sq m). Site 34 also has only 4,420 sq m of retail within a scheme of 36,000 sq m. We do not consider that either of these would generally be considered to be examples of 'shopping centres' and certainly do not share many of the characteristics of our own proposals, either in terms of built form or of viability characteristics. (We consider the Council's

centre/shopping mall developments. These are sites 29 and 34. The maximum CILs for these sites are £780 and £499 per sqm respectively. Both schemes are capable of paying the proposed CIL of £250 per sqm.

While, Site 29 comprises an extension to a shopping centre within an existing car park, there are similarities between Site 29 and the Elephant and Castle shopping centre in that both are held within a single ownership, albeit with sub leases and both represent redevelopment of existing shopping centres. Both would be able to attract prime retail rents referenced in paragraph 6.21 of the study.

Site 34 incorporates the addition of c4,000sqm within an existing shopping centre, together with the introduction of new homes and other uses. The council considers the scale to be sufficient to provide a meaningful indicator of values.

In the council's view, the findings of the appraisals provide sufficient evidence to justify the proposed charge.

The council considers the definition of shopping centres to be adequate and no alternative wording has been suggested.

The council recognises that there is limited recognition of the impact of CIL on town centre car parking and therefore is proposing to make a nil charge for such development. This will further reduce impact of CIL on viability, where shopping centres include covered car parking.

definition of 'shopping centres/shopping malls' to be vague in the extreme).

That leaves site 29 which we referred to in our previous representation. We maintain our position that this scheme cannot be considered representative of shopping centre development in Southwark due to the fact that it is being proposed on a surface car park, one of the very few 'soft' development sites within the Borough on this scale.

Southwark is a densely developed area. With a 'town centres first' planning policy in place, any new retail development (other than rare exceptions such as site 29) is going to have to bear the cost of a significant land acquisition bill due to existing uses on the site. That has not been reflected in any way by BNP in undertaking their viability analysis.

We take no issue with the imposition of CIL on foodstore sites – this is not something that we have considered in detail. We do take issue with foodstores and shopping centres being treated as one. The latter is a different category of development and the proposed rate is based on only one example which is entirely atypical.

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669 339 Residential Charging Rate

It is clear that residential viability varies quite widely, even within the individual zones proposed by the Council. Looking at Zone 3, BNP have provided Maximum CIL figures for 17 sites. Their analysis at 6.8 states that "the least viable site generates a maximum CIL of £133 per square metre" entirely ignoring the fact that three of the sites produce a negative figure, i.e. they are not viable at all. BNP's "average CIL level" figure also ignores these sites – if they were included the average would be £279 rather than the £715 psm which is quoted, a figure which is actually below the combined cost of proposed and Mayoral CIL.

Over one third of the sites modelled generate a Maximum CIL which is below the level proposed by the Council. If this situation is replicated across Zone 3 it will result in a high level of undeliverability which will seriously impact on the Council's ability to meet need for new housing. Accordingly we do not consider that this meets the 'appropriate balance' test set out in the CIL Regulations.

The council has reviewed the viability appraisals and is proposing to reduce the residential CIL charge at E&C from £250 per sqm to £200 per sqm. The council considers that the findings of the viability appraisals justify the charges set out.

At Elephant and Castle the rates have been further tested through the development infrastructure funding study (DIFs) undertaken with the GLA in 2011. The revised CIL charge for residential homes around Elephant and Castle is significantly below the equivalent s106 tariff recommended in that study and subsequently adopted in the OAPF/SPD.

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669 340 Response to Consultation

The Council's response to our earlier representation included a number of comments which we found troublesome. They refer to the current Elephant & Castle SPD tariff and state that "there is unlikely to be any increase in burden when affordable housing and existing floorspace are taken into account". They also state that "we need to secure contributions towards infrastructure that will

Regulation 14 of the CIL Regulations requires that a charging authority, 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

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support growth, and if we do not charge CIL, we will be unable to grant planning consent for developments due to the cumulative impact schemes will have”.

There is a clear implication here that the Council’s conclusions as to their CIL rates have been based around need rather than viability and that they have given weight to historic viability work. We do not consider that this complies with the Regulations which require Council’s to demonstrate that CIL rates will not have an unacceptable impact on development viability. The existing SPD tariffs should have no relevance – Councils are required to demonstrate through evidence attached to the draft charging schedule that the CIL rate is appropriate.

If the Council is unable to demonstrate the appropriateness of its ‘shopping centre’ rate purely with regard to its viability study – and we do not consider basing the rate entirely on the viability of one scheme sufficient demonstration of this – then it can clearly be concluded that the proposed rate is too high.

**Conclusions**

Key Property Investments has demonstrated considerable commitment to the Borough of Southwark in the work that it has undertaken towards delivering a significant regeneration scheme at Elephant and Castle. As well as rejuvenating the area, our proposals will deliver much needed jobs and residential accommodation as well as enabling the delivery of key transport projects. However, this proposal is jeopardised by the charging rates set out in the DCS. If these are adopted the project’s delivery will be put at significant risk.

The Council has not properly considered the viability of ‘shopping centres’ and as such has not complied with the tests set out in the CIL Regulations. Its proposed rate will significantly reduce the prospects of not only Elephant & Castle but also other major regeneration projects coming forward. We do not consider it should be basing its rates on a one-off development proposal at Surrey Quays. Either the rate needs to be reduced across the Borough or it needs to apply zoning to recognise locations which will suffer from considerably higher land assembly costs such as Elephant & Castle.

We would be pleased to meet with the Council and its advisors to discuss our concerns about the DCS and the evidence based as well as the impact on our proposals. We also reserve the right to attend the Examination in Public and to submit further evidence to it on the financial impact which we consider that the DCS rates will have on shopping centre development.

the imposition of CIL on the economic viability of development across its area’.

This is the exercise which the council have undertaken. In the council’s view, a reasonable balance has been struck. There is an acknowledged need for infrastructure in the borough, which includes the improvements to the Northern Line ticket hall at Elephant and Castle and improvements to the northern roundabout. The proposed CIL will help fund items of infrastructure which are required to deliver growth in the borough. The viability evidence establishes that the proposed rates do not threaten delivery of the Core Strategy as a whole.

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707 344 On behalf of our client, The Trustees of the Imperial War Museum, we are pleased to submit

We have include further explanation of what constitutes charitable relief from CIL in the CIL

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representations to the London Borough of Southwark's Community Infrastructure Levy (CIL) draft charging schedule which has been published for consultation until 3 April 2013.

background paper.

IWML

The Imperial War Museum London (IWML) is based in the London Borough of Southwark (LBS). IWML embarked upon a spatial masterplan to evaluate the opportunities to transform IWML within the current footprint in 2010. The overall objective of the masterplan, approved by the Board of Trustees, is to significantly improve the existing facilities, maximise the visitor experience and ensure the long term sustainability of IWM's flagship branch.

IWM wants to deliver a new museum experience, with more intuitive circulation and way finding, rejuvenate the available existing space, whilst optimising revenue generating opportunities. It will do this through the delivery of a series of coherent public spaces for galleries (temporary and long term) and research rooms, ancillary retail and café, events, learning, visitor facilities, staff accommodation and storage.

The IWML masterplan will see the full transformation of IWML. However, it has been necessary for the museum to implement the overall programme of works in separate phases to enable it to raise the necessary funding.

The first phase of works, known as the First World War Centenary Project, was granted planning and listed building consent in May 2012 (ref. 12/AP/0699 and LBC ref. 12/AP/0696). The works are now onsite and the new First World War galleries will be open in time for Centenary events in 2014. IWML, and the London Borough of Southwark, will be at the heart of events to commemorate this nationally and internationally significant anniversary.

Phases to be brought forward at later stages of the masterplan delivery will focus on a new entrance at the front of the museum with step free access for all and direct, level entry into the transformed atrium space and hub of visitor services and facilities. The first phase of works has set the context for later improvements.

As a major cultural institution in Southwark bringing forward development proposals in the foreseeable future, the drafting of the CIL charging rates is of great interest to IWML. The following comments are made in respect of the draft charging schedule.

Exemption for Charities



IWML is an exempt Charity under the terms of Schedule 2 of the 1993 Charities Act. The DCLG Community Infrastructure Levy Relief Information Document sets out that there are three main groups of charities to which relief from the levy will be applicable. These are –

1.  Registered charities; charities which are registered with the Charity Commission
2.  Exempt charities; charities which cannot register under the Charities Act 2006 and are not subject to the Charity Commission’s supervisory powers. They are listed in Schedule 2 of the 1993 Charities Act and include some educational institutions and most universities and national museums
3.  Excepted charities; charities excepted from the need to register but which are still supervised by the Charity Commission. Excepted charities with an income over £100,000 will have a duty to register when the relevant part of the Charities Act 2006 comes into force.

IWML notes that the draft charging schedule sets out a range of exemptions from CIL that LB Southwark is proposed to make. This includes –

“Development by charities of their own land to be used wholly or mainly for their charitable purposes”

This is describing the mandatory charitable exemption that is provided by Regulation 43 of the CIL Regulations 2010 (as amended 2011 and 2012).

IWML support the charitable exemption but consider that further guidance on what constitutes charitable exemptions should be included in the LBS Charging Schedule. IWML request confirmation from LBS that they consider this nationally significant institution to be liable for charitable exemption.

On behalf of IWML, we request that we are kept informed of progress with this plus other LDF documents. In addition, IWML wishes to reserve its position to submit further representations on subsequent LDF consultations.

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895 301 Thank you for providing us with the opportunity to comment on the Draft CIL Charging Schedule. These representations should be read in conjunction with our previous representations on the Preliminary Draft CIL Charging Schedule dated 17 October 2012, which remain valid.

As a major landowner and developer in the London Borough of Southwark, Land Securities has an excellent track record of delivering high quality new development in the Borough.

**Overview**

We acknowledge that, in setting CIL rates, the CIL Regulations require a charging authority to strike a reasonable balance between the need to finance infrastructure from CIL against the

Further viability testing has since been done in the CIL Viability Study.

The government’s statutory CIL guidance places more emphasis on the need to demonstrate that residual section 106 requirements have been rigorously justified and taken into account and the need to ensure that proposed CIL levies are generally below that maximum CIL levies that could be charged. While there is no guidance on what this buffer should be, inspectors have suggested that CIL charges which are 20% or

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impact of CIL on the economic viability of development across its area. However, it is considered that CIL at the rates currently proposed in the Draft CIL Charging Schedule does not achieve this reasonable balance and will subsequently adversely impact on scheme viability. This will not create the conditions to support the local economic growth that is required, as set out in the National Planning Policy Framework (NPPF) (2012).

Although some of the CIL rates proposed in the Draft CIL Charging Schedule (such as office) are lower than previously stated in the Preliminary Draft CIL Charging Schedule, we remain of the view that the proposed CIL, combined with the other costs of development, is unlikely to provide competitive returns to a willing land owner and willing developer, as required by the NPPF. This is likely to threaten the deliverability of development and consequently restrict the ability of the Borough to meet its targets for growth.

It is in this context that we make the following representations on the Draft CIL Charging Schedule.

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895 302 Residential  
We noted in our previous representations that the highest proposed CIL rate for residential development in the London Borough of Southwark at £400 per sqm is higher than the proposed rates in two similar Central London boroughs (being the London Borough of Lambeth and the London Borough of Islington) at £369 per sqm and £300 per sqm respectively despite being based on a lower maximum average residential sales value (£9,200 per sqm compared to £10,656 per sqm and £13,074 per sqm respectively). This analysis remains relevant as the highest proposed CIL rate for residential development remains at £400 per sqm in this version of the CIL Charging Schedule. The analysis suggests that the rates at which CIL is proposed for residential development in the London Borough of Southwark is disproportionately high relative to average residential sales values when compared with similar Central London boroughs. This implies that it would be more difficult for schemes to come forward in Southwark due to the level of CIL expected compared to sales values achieved and therefore the evidence base should be interrogated further.

Furthermore, it is noted that the proposed CIL rates are based on a number of hypothetical development appraisals of sites within the Borough using a number of assumptions. In order to ensure that the Charging Schedule is supported by robust evidence and CIL is set at a realistic rate that development can afford, we consider that the hypothetical development appraisals should be examined in the context of real life schemes and planning permissions in the Borough.

In this context, it is noted that the CIL rate for residential development in Zones 1 and 2 is based

30% less than the maximum that could be charged are acceptable and allow for sufficient flexibility and variation in circumstances. The CIL Viability has taken this into account in recommending proposed CIL rates.

Further viability testing has been undertaken and the CIL Viability Study recommends that the number of residential CIL zones be reduced from four to three. Zone 2 (Tower Bridge Road to Rotherhithe village) is deleted and split between zone 1 (Bankside, Borough and London Bridge north of Union Street and Snowsfields) and the zone which includes Canada Water, Bermondsey and Elephant and Castle). The change reflects the fact that there is a significant drop in residential land values east of Shad Thames. The zone 1 CIL residential rate of £400 per square metre could compromise the amount of affordable housing which can be provided in areas to the east of Shad Thames.

As a result of the additional analysis, we do not propose to change the charge of £400 per square metre in the revised zone 1. There are generally few residential developments in this zone and those which have been built recently or are under construction are generating residential values which are significantly higher than elsewhere in the

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on only three hypothetical development appraisals in the BNP Paribas Viability Study (January 2012). This is not considered to be a sufficiently robust evidence base to be able to justify the level of CIL proposed for this part of the Borough and further testing should be undertaken, including analysis of real life schemes, in order to ensure that a realistic CIL rate is achieved that does not threaten the viability of development.

It is noted that Zone 1 falls within the Bankside, Borough and London Bridge Opportunity Area, where significant development is expected to come forward in order to meet London Plan and London Borough of Southwark housing and employment targets. As such, it is essential that any charge on development is based on a robust evidence base in order not to threaten the ability of this part of the Borough to achieve the required growth.

Of the three sites within Zones 1 and 2 that were tested in the BNP Paribas Viability Study (January 2012), the appraisal for Site 24 assumes an existing use value based on an existing warehouse use. It is considered that warehousing is not a characteristic use for this part of the Borough and therefore this is not considered a realistic basis for assessing viability of development in the area. As such, a more realistic analysis of viability should be undertaken that reflects the prevailing existing land uses of the area, such as residential, office and retail. Notwithstanding this, the existing use value for Site 24 of circa £3.9 million per hectare appears relatively low compared to other benchmark land values used by other central London boroughs for CIL setting, including the London Borough of Tower Hamlets, which adopts a benchmark land value for an existing industrial site of £5.3 million per hectare.

Furthermore, there is no justification for the existing land use value assumed for Site 26 in the BNP Paribas Viability Study. We would therefore suggest that the existing use values in the BNP Paribas Viability Study (January 2012) are interrogated further to ensure that they reflect a real-life scenario.

It is noted that the Borough CIL, as well as the Mayoral CIL, is treated as the top 'slice' of the costs that a development can viably afford. Therefore, where a development is subject to a full CIL payment at the rates currently proposed, then the other charges applied to a development, including Section 106 obligations and, specifically, affordable housing requirements would need to be reduced to ensure that development remains viable and is capable of being delivered.

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borough. These differences in land values are starkly represented on a "heat map" of house prices across the borough (see appendix G of the CIL Cabinet Report). In Zone 1 the appraisals indicate significant surplus values above existing use values, which result in high levels of maximum CIL. The average maximum borough CIL is £719 per square metre. A CIL of £400 per square metre would leave a reasonable viability 'buffer' below the least viable scheme tested in this area of £693 per square metre.

However, we are proposing a change to the proposed CIL rate for the revised zone 2 (which includes Elephant and Castle, Bermondsey Spa, Canada Water, Camberwell, Nunhead, East Dulwich and Dulwich) to reduce this from £250 per square metre to £200 per square metre. Most homes in the borough which are expected to be built over the next 20 years are in this zone and therefore a reduction in CIL in this zone will reduce funding available for infrastructure. However, the benefit of generating funding for infrastructure needs to be balanced against the imperative of continuing the supply of new homes and creating affordable housing, which are key objectives of the Core Strategy. The reduction is recommended as a result of the fact that the expectation about the amount of section 106 planning obligations which will be negotiated has been increased (we previously estimated £1000 per home and have raised that to £1,500 per home which has been included as an input into the appraisals) and the need to comply with new government guidance which stresses that CIL should not stretch economic viability to the limit.

The CIL Viability Study has included appraisals of

52 development schemes. This approach is in line with government guidance. Figure 3.17.2 shows the opportunity areas and action areas in the borough, and the spread of sites which have been appraised.

BNPP have made realistic assumptions on the existing use values of the appraisal sites. Appendix 3 of the CIL viability study sets out the range of assumptions used.

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895 303 Office

Whilst it is welcomed that the proposed CIL rate for office development in Zone 1 has been reduced since the Preliminary Draft CIL Charging Schedule to £70 per sqm, it is considered that this is not reduced far enough to ensure that the area can be competitive.

We note that the proposed CIL rates incorporate a buffer below the identified maximum CIL rates that development can afford to allow for change in the market and site specific viability issues.-

For office development in Zone 1, the buffer that is allowed for in the BNP Paribas Viability Study (January 2012) is 19% below the maximum CIL rate for the least viable development that was tested. In comparison to other similar central London boroughs(1), this buffer is not considered large enough and therefore CIL at the rate proposed is likely to threaten the viability of development. As such, the proposed CIL rate for office development in Zone 1 should be reduced further to ensure that a suitable and robust buffer is allowed for.

(1). London Borough of Tower Hamlets Preliminary Draft Charging Schedule (November 2012) - CIL rate for office development is based on a buffer below maximum viability of between circa 36% and 41%

The council is proposing to maintain the proposed charge for office space in CIL zone 1 at £70 per sqm. Office rents in the borough's prime office locations have been rising over the last 12 months and office schemes in zone 1 should be able to absorb Southwark's CIL, as well as the Mayor's Crossrail s106 which is also payable.

Market commentary is set out within the CIL Viability Study, which confirms that the take up in the prime SE1 office market picked up significantly in the second quarter of 2013, with a number of transactions taking place. Rental levels achieved for good quality/Grade A space provided in locations such as More London, Southwark Street and Blackfriars Road are circa £45 per sq ft and above. This is 60% higher on average than office rents for lower quality stock and offices elsewhere in the borough (i.e. £25 per square foot). The viability appraisals of office schemes across the borough confirm an average maximum borough CIL of £263 per square metre. Removing the viable schemes in Zone 2 this reduces the maximum viable CIL rate to £82 per square metre. A modest CIL requirement of £70 per square metre in Zone 1 is unlikely to prevent new schemes coming forward.

Most boroughs have differentiated rates for office space. The charge proposed in zone 1 in Southwark is similar to the rates proposed by other boroughs in their main office areas. These include: Lambeth (£125); the City (£75); Tower Hamlets (£120/£60); Wandsworth (£100) and Croydon (£120).

895 304 Retail  
The Draft CIL Charging Schedule currently differentiates within the retail A1 Use Class, specifying a rate of £250 per sqm for destination superstores/supermarkets/shopping centres/malls and £125 per sqm for all other retail.

The CIL Regulations 2010 (Regulation 13) enable local authorities to set differential rates (including zero rates) for different zones in which development would be situated and also by reference to different intended uses of development. The Regulations however do not stipulate differentiating rates within a use class.

This matter was investigated closely in the CIL examination for the Borough of Poole. In making representations on the Charging Schedule, Sainsbury's argued that it is not possible under the Regulations, as currently written, to differentiate within the same intended use of development. It was accepted by the Borough of Poole that the Regulations do not refer to viability as being the justification for differentiation. The Borough of Poole agreed that, in the absence of clarity on the issue, there should be no differentiation between the same proposed use.

On this basis, we consider that any CIL rate proposed for retail (Class A1) must therefore apply across all retail (Class A1) development (not singling out destination superstores/supermarkets/shopping centres/malls) and must be of a level that all retail (Class A1) use can reasonably afford.

#### Summary

In summary, the above representations seek to ensure that an appropriate balance is struck between the desirability of funding from CIL the cost of infrastructure required to support the development of the Borough and the potential effects of the imposition of CIL on the economic viability of development.

Furthermore, in the context of the NPPF, we wish to ensure that development, taking account of the costs of development, including CIL, provides the competitive returns to a willing land owner

With regard to the proposed differential CIL rates for retail types of development, we have been mindful of the CIL statutory guidance which states at paragraph 35 .

“Regulation 13 also allows charging authorities to articulate differential rates by reference to different intended uses of development provided that the different rates can be justified by a comparative assessment of the economic viability of those categories of development. The definition of “use” for this purpose is not tied to the classes of development in the Town and Country Planning Act (Use Classes) Order 1987, although that Order does provide a useful reference point.”

We are not proposing any changes to the retail CIL rates of £250 p/sqm for supermarkets and shopping centres which have on-site parking facilities and £125 for all other retail space. The higher charge for supermarkets and shopping centre is justified on the basis of increased viability of these types of development. The average maximum borough CIL across all viable schemes in the borough is £866 per square metre (excluding the unviable sites). However, the most viable schemes are those which can be described as destination shopping i.e. superstores/supermarkets and shopping centres/malls, where the critical mass of floorspace creates a distinct intended use as they

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and willing developer that are required to ensure that the Borough can meet its targets for growth. We look forward to receiving confirmation that these representations have been received. We reserve the right to attend the Examination in Public, as necessary.

are destinations for either a weekly food shop or for comparison shopping, which provide a sufficient quantum of car parking. The average maximum CIL across these retail uses is identified as being £943 per square metre as compared to all other retail (A1-A5) and sui generis uses akin to retail developments, which generate an average maximum CIL of £835 per square metre. An appropriate buffer has been set between the maximum CIL rates and the proposed CIL rates.

Concerns were expressed at the previous stage of consultation that the council had not sufficiently tested the viability of building covered car parks which, where they are part of a retail development, would attract a retail charge. The CIL Viability Study has included analysis of town centre retail car parking and as a result we have amended the CIL Charging Schedule to include a nil charge for parking where it is made available to all users of a town centre.

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897 313 Savills has been instructed by London & Quadrant and Grosvenor (hereafter The Consortium) to submit representations to the London Borough of Southwark's 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.

Comments noted. Further responses to this representation are set out below.

Preliminary Draft Charging Schedule

Savills submitted detailed representations to the Preliminary Draft Charging Schedule in October 2012.

Those representations expressed concern with the proposed CIL, and in particular:

- Sales values/ rates
- Land value assumptions
- Build/ infrastructure costs
- Inaccurate Section 106 assumptions

The representations also urged the London Borough of Southwark (LBS) 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.

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897   314   Draft Charging Schedule

LBS has now published the Draft Charging Schedule for consultation and alongside it a CIL Background Evidence Paper and a Consultation Report. Savills now submit the following comments on behalf of The Consortium.

**Private Rented Sector (PRS)**

Approximately a fifth of all London's households now reside in the Private Rented Sector (PRS). The PRS fulfils a vital role in sustaining London's dynamism, providing a flexible range of housing for a wide variety of households. The sector has grown considerably over the last decade, in part driven by house price affordability issues and mortgage availability constraints. The vast majority of London's PRS stock is currently owned by private individuals, with small investment portfolios of 1 or 2 properties. Unfortunately, the sector is characterised by widely varying standards of management, maintenance and customer satisfaction.

Central government and the GLA have clear objectives to encourage the development of an institutionally backed and professionally managed private rented residential sector (PRS). New build stock is the most likely way of investors entering the sector, as this provides the opportunity to acquire portfolios at the required scale and achieve the economies of scale for portfolio and asset management.

The objectives of the Private Rented Sector Initiative, launched by the HCA, are as follows:

- Establish an attractive financial opportunity for investors and to attract new sources of private sector funding to the housing development sector
- Help to stimulate housing supply and meet demand for rental property in the face of a shrinking mortgage market, especially for first-time buyers

The council does not have evidence which points to differential values for rental and for-sale sectors. The council considers that the viability of the private rental sector is adequately covered through assessment of the viability of market housing.

- Provide housebuilders with an opportunity to pre-sell stock, helping to reduce the speculative nature of house building and attract more volume in development
- To help stimulate fundamental change in the housing market in the longer-term, making private rental more of a tenure of choice and offering a broader range of options to consumers.

The government-backed Montague Review highlighted that the viability of an institutional PRS led model is much more constrained than that for private residential sales. In-depth research undertaken by Savills has also supported this finding. One of the clear recommendations from the Montague Review was that PRS stock should be distinguished from typical private residential development in the planning system in relation to viability policy and assessments. We consider that the proposed CIL rate would jeopardise the objectives of the Private Rented Sector Initiative and reduce the appetite from developers and investors to enter the Private Rented Sector in Southwark. It would also severely impact the ability of developers and investors to deliver affordable housing alongside PRS and in turn the opportunity to deliver balanced and mixed communities. Given the potential appetite from investors in PRS in Southwark, we would request that BN provide an appraisal to test the viability of the proposed CIL rate based on the PRS model for comment. Given the lower viability of developing specifically for PRS, it may be appropriate to introduce a specific category of CIL for PRS to encourage investment in this sector.

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897 315 Instalments

Savills welcomes the fact that LBS 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.

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As the Mayor of London has published his instalments policy for CIL the Council will rely on that to start with and review the impacts of it in the first 2 years.

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897 316 Exceptional Circumstances Relief

It is disappointing that LBS does not propose any exceptional circumstances relief. Given the ongoing economic uncertainties the ability of the Council to offer exceptional circumstances relief could be critical to the viability of schemes and we would urge the Council to reconsider. In particular we draw attention to the comments of the Examiner in his report on the Mayoral CIL where the refusal to make exceptional circumstances relief available came under particular criticism for being dogmatic, inflexible and reactive.

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At this stage the Council does not wish to offer Exceptional Circumstances Relief given the new changes to the Regulations which allows for in-lieu infrastructure to be provided. As the Mayor of London has published his instalments policy for CIL the Council will rely on that to start with and review the impacts of it in the first 2 years.



Paragraph 3.3.42 of the Consultation Report suggests that LBS will consider reducing Section 106 requirements, including affordable housing provision, where the levels of CIL, Section 106 and general lack of profitability may render schemes unviable. This is contrary to the wider aims of CIL which should not threaten the delivery of the plan as a whole, at the time of charge setting and throughout the economic cycle (CLG CIL

Guidance December 2012 para 30). Recent Examiner's reports for Mid Devon, (February 2013) and the Greater Norwich Development Partnership (December 2012) have set a clear precedent for CIL to be considered in the round, including the testing of policy-compliant levels of affordable housing. Accordingly CIL should not be set at a rate which threatens the delivery of affordable housing and Savills therefore urges LBS to reconsider introducing an exceptional circumstances relief policy to avoid threatening the delivery of the Core Strategy.

A specific example of where exceptional circumstances relief may be essential if redevelopment is not to be rendered unviable is estate regeneration projects. Southwark has a significant number of affordable housing estates that are in considerable need of upgrading, refurbishment or redevelopment as highlighted by the recent independent Housing Commission report produced in October 2012 on behalf of the London Borough of Southwark. On such projects it is often a pre-requisite that a significant amount of replacement affordable housing needs to be provided to ensure that existing tenants can be offered new housing within the existing community. In such circumstances the ability to use Section 106 (and particularly the amount of affordable housing) as the 'viability balancing pot' post a fixed CIL payment is much more limited. Hence there is a concern that estate regeneration projects, with a specific need for delivering a minimum threshold of affordable housing, will be stalled by the introduction of a CIL levy as proposed, without any flexibility to adapt to exceptional circumstances.

Payments in Kind/ Land in Lieu

LBS attempts to address this issue within paragraph 3.3.41 of the Consultation Report, however it is inevitable that large schemes will include infrastructure on the Regulation 123 list such as open space, health and libraries. It is therefore imperative that a mechanism should be put in place to allow payments in kind or land in lieu to avoid double charging.

Regulation 123

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

Conclusion

Given the above comments The Consortium respectfully urges the London Borough of Southwark 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.

899 308 Introduction

Deloitte Real Estate (DRE) is instructed by Universities Superannuation Scheme (USS) to advise on town planning matters in respect of its commercial asset at 175-179 Long Lane, Southwark. USS therefore has an active interest in the formulation of planning policy in the London Borough of Southwark. DRE submitted representations on USS's behalf in October 2012 to the Preliminary Draft CIL Charging Schedule. Accordingly, we set out below USS' comments on the Draft CIL Charging Schedule which are in line with the previous comments.

#### Background

USS' asset at Long Lane is located in the northern part of the Borough, on the north eastern corner of the junction of Long Lane and Weston Street. At present, it contains three warehouse buildings and associated offices, along with an area of hard standing to the rear for parking and servicing.

The northern boundary of the site adjoins a parking area for a number of 3-4 storey buildings at the southern end of Leather Market. The eastern boundary also adjoins a parking / servicing area for 193-197 Long Lane, which has recently been redeveloped for a mixed use scheme of between 7 and 12 storeys. Long Lane forms the southern boundary of the site and Weston Street forms the western boundary. Access to the Site is provided from Weston Street.

The surrounding area mainly consists of residential uses, although commercial uses are located in some of the surrounding buildings, typically at lower floors.

USS is currently undertaking pre-application discussions with officers at the London Borough of Southwark in relation to the redevelopment of the site for a mixed use residential and commercial development.

We set out below comments on the Draft Charging Schedule.

#### Draft Charging Schedule

The Long Lane site is located within Zone 1 of the CIL Charging Schedule. The rates for office

The CIL Viability Study recognises the requirement for developments to pay Mayoral CIL and commercial developments to pay Mayoral S106 contributions towards Crossrail in the Bankside Borough and London Bridge Opportunity Area. The appraisals include Mayoral CIL as a cost to development. With regard to office floorspace, the viability study provides evidence of market transactions undertaken recently. The results indicate that, at the current time, viability of office developments in the borough can be challenging, with any schemes coming forward being likely to be within the north of the borough where there is good demand for such space and rental levels achieved are higher (above 45 psf headline rent). It is considered that the majority of development schemes which include smaller office floorplates will be replacing existing floorspace on the site (in accordance with our planning policies), where it is unlikely that this element of schemes would be liable for CIL.

and residential uses in this zone are set out below for reference:

Insert table

#### Residential

USS notes that the proposed rate for residential development remains the same and in line with the comments submitted to the preliminary draft charging schedule, USS acknowledges that the proposed rate is broadly similar to other charging schedules that have been adopted or are being progressed by other London boroughs.

Whilst USS has no specific comments to make on the proposed residential rate, they do request that LBS ensure that the proposed rate takes into consideration the adopted Mayoral CIL and consider the impact that both of these charging schedules will have on the viability of development.

#### Office

With regards to the proposed office rate, USS notes that the draft charging schedule now proposes a reduced rate of £70 per sqm from the previously proposed £100 per sqm and that this rate now only applies to office development light industrial is subject to a nil rate.

Whilst USS welcomes this reduction and differentiation between office floorspace and light industrial, the schedule still does not differentiate between different types and sizes of commercial floorspace within the office category.

The Long Lane site sits on the boundary of Zone 1 and the current proposals which are being discussed with LBS include small and flexible commercial units suitable for small and medium enterprises.

On this basis, USS continues to urge the Council to consider introducing sub categories within the office category which reflect the different types and size of office space and acknowledges that small scale office space would become unviable if subject to the same rate a large scale office development would be required to pay.

#### Conclusion

USS is pleased to have the opportunity to comment on the emerging LBS Community Infrastructure Levy Charging Schedule and would request that the Fund continues to be updated on the programme for this document and other Local Development Documents.

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902 305 We act for Asda Stores Limited ("Asda") and we write further to our previous representations regarding Southwark Council's Preliminary Draft Charging Schedule submitted on 17 October 2012 (a copy of which are enclosed). In those representations we made a number of key objections and suggestions and we are disappointed to note that few of those points are reflected

The council notes Asda's view that distinguishing between superstores and other retail development should be justified by evidence of viability.

The council considers that the findings in the

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in the Draft Charging Schedule (“the Charging Schedule”).  
Differential rates for retail development.

We note that the Council now accepts that the CIL Regulations do not permit differential rates based on the floorspace of a development. The Charging Schedule goes on to say that it will instead impose the higher retail CIL charge of £250 per sqm on destination superstores, supermarkets, shopping centres and malls. The purported justification for doing so appears at paragraph 35 which states that ‘the higher charge is justified on the basis of increased viability of these types of development’.

We note that the Community Infrastructure Levy Guidance, issued by the Government in December 2012, states that charging authorities can set differential rates by reference to different intended uses. That Guidance, however, contains an important proviso in the setting of differential rates: they must be justified by ‘a comparative assessment of the economic viability of those categories of development’. For the reasons set out below, we do not consider that the Council’s viability assessment is adequate.

We would refer you again to Inspector Nigel Payne’s report on Newark and Sherwood’s Charging Schedule, in which he states:

‘Without very clear viability justification, two different rates for retail development could be said to unreasonably favour smaller retails over larger ones and/or constitute a policy decision by the charging authority to support smaller units that goes beyond viability considerations alone.’

We note that the Council’s Core Strategy identifies a need for 45,000 sqm of retail floorspace in Elephant and Castle and 35,000 sqm in Canada Water. In setting a CIL charge of £250 per sqm (double that for all other retail space) and significantly higher than the CIL charges proposed by the neighbouring London Boroughs of Lambeth and Lewisham which are currently proposing a CIL charge of £115 and £80 per sqm respectively, the Council is, in effect, making a policy decision to enable this floorspace to be brought forward by smaller retailers.

viability appraisal constitute available evidence which justify the proposed charges. For these reasons the proposed charges do not comprise a mechanism designed to promote small stores.

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902 306 Financial assumptions underpinning the viability assessment

We note that the Council’s consultants have prepared an updated Viability Study, dated January 2013, to support the Charging Schedule. We note that the Study incorporates a notional allowance of £30 per sqm to address costs under any section 106 and 278 agreements. The Study notes that this figure is ‘in line with levels of contributions currently sought on commercial schemes through the existing S106 SPD toolkit’.

Further information about residual s106 and 278 agreement assumptions are set out in the CIL background paper. The council considers that appropriate s106 assumptions have been factored into the viability appraisals. In retesting the impacts of CIL on viability, we have increased the expectation of residual s106 obligations from £1000 per dwelling to £1,500 per dwelling, in line with typical s106 planning obligations negotiated in

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|----------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      |             | <p>The calculation of this figure is not transparent and it is difficult to understand how the Study arrives at this figure. For instance:</p> <ul style="list-style-type: none"> <li>• <input type="checkbox"/> Do the costs under any section 278 agreement cover only commuted sums for maintenance or do they also include the cost of carrying out the highways works?</li> <li>• <input type="checkbox"/> The Council's section 106 contributions SPD states that transport, community facilities and public realm contributions are all site-specific. Does the Study make an allowance for those contributions in its figure of £30 per sqm?</li> </ul> <p>In our previous representations, we pointed out that the Viability Study does not take into account the costs involved in obtaining planning permission for commercial developments. The revised Study does not allow for these costs.</p>                                                                                                                                                                                                                                                                                                                                             | <p>recent years.</p> <p>Appropriate professional fees have been factored into the appraisals.</p>                                                                                                                                                                                                                                                            |
| 902                  | 307         | <p><b>Key Suggestions</b></p> <p>We note that the Council has not incorporated any our key suggestions regarding exceptional circumstances relief or staged payments into its Charging Schedule. We will not repeat those suggestions here, save to say that we consider them to be key to ensuring commercial developments come forward.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>At this stage the Council does not wish to offer Exceptional Circumstances Relief given the new changes to the Regulations which allows for in-lieu infrastructure to be provided. As the Mayor of London has published his instalments policy for CIL the Council will rely on that to start with and review the impacts of it in the first 2 years.</p> |
| 906                  | 388         | <p>1. In October 2012 British Land/Aviva submitted representations to the London Borough of Southwark ('the Council') in respect of the Preliminary Draft Charging Schedule. The Council has responded to these representations in a Consultation Report (February 2013). Enclosure B provides a detailed 'point-by-point' scheduled response to the Council's Consultation Report and essentially highlights a number of topics and concerns that need to be focused on. These are summarised below:</p> <p>Relationship with National Planning Policy Framework</p> <p>2. The National Planning Policy Framework ('NPPF') provides important steers in the formulation of CIL charging schedules. It explains that CIL charges should be worked up and tested alongside the Local Plan and, essentially, the CIL should support and incentivise new development. The sites and scale of development identified in Local Plans should not be subject to a scale of obligations and policy burdens that their ability to be developed viably is threatened.</p> <p>3. BL/Aviva is concerned that the NPPF has not been adequately considered by the Council and that the proposed Draft Charging Schedule, as a significant additional cost burden on</p> | <p>The relationship between the national planning policy framework and the proposed CIL charging schedule is explained in more detail in the updated CIL background paper.</p>                                                                                                                                                                               |

development, runs the risk of actively discouraging development.

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906 389 Compliance with Statutory Guidance

4.Charging Authorities are legally required under Section 221 of the Planning Act to have regard to the CLG statutory guidance document – ‘Community Infrastructure Levy: Guidance’ (December 2012) – when setting their proposed CIL rates. The Guidance provides detailed guidance in relation to the CIL setting process and contains requirements for Councils and Examiners in establishing whether CIL rates are appropriate.

5.The Guidance was published post publication of the Council’s Preliminary Draft Charging Schedule, but the Council has had the opportunity to consider the implications of the Guidance in respect of the Draft Charging Schedule. There is no evidence that the Guidance has been considered or whether the Council’s CIL evidence base reviewed afresh. This is concerning. BL/Aviva ask that the Council explain how the Draft Charging Schedule, and in particular the BNPP Viability Study, has had regard to the Guidance and meets its requirements. The Council’s evidence base may need to be updated as a result and consulted upon.

The council considers the proposed CIL charging schedule is in compliance with statutory guidance. This is explained in detail in the updated CIL background paper.

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906 390 Relationship with the Development Plan

6.In applying the CIL setting tests contained within both Regulations and Guidance, an understanding of the nature of development proposed across the Charging Authority’s area is vital. This must be derived from the relevant up-to-date Development Plan (including all Development Plan documents).

7.The Charging Authority’s CIL evidence needs to be able to conclude that the proposed rates will be viable for the sufficient number and type of developments upon which the Development Plan relies over the course of the Plan period.

8.It is unclear, firstly, how the Development Plan in this case (the London Plan, Southwark Core Strategy, and various Area Action Plans) has informed the proposed CIL rates and, secondly, how the proposed rates will impact on the deliverability of the Development Plan (including both Borough-wide and area specific policy targets as well as the Council’s housing pipeline).

9.British Land/Aviva is particularly concerned about the Canada Water area in this respect. It is an area of significant change and the Council’s policy for the area is contained within a specific Development Document (the Canada Water Area Action Plan (March 2012)). British Land/Aviva ask the Council to clarify how the policy objectives for Canada Water, including particular site designations and infrastructure requirements, have been accounted for in the Council’s CIL

The relationship between the Development Plan and the proposed CIL charging schedule is explained in more detail in the updated CIL background paper.

evidence base. It is also noted that the Canada Water AAP is currently being revised by the Council. Any revisions ought to be taken into account to ensure the risk of any future inconsistency between planning policy and CIL is minimised.

906 391 Viability Approach/Methodology

10.CIL is a form of tax and, once rates have taken effect within a particular area, it is inherently more rigid and fixed compared to the application of planning policy: it cannot be negotiated to suit particular circumstances. Therefore, coupled with the current economic climate, it is critical that Charging Authorities approach CIL setting with a great deal of caution and ensure rates are based on evidence that reflects the normal circumstances under which development viability is assessed and land is released.

11.It is essential that CIL rates are based on evidence that considers current market conditions. This is in-keeping with the NPPF, in linking ‘willing sellers’ of land, ‘competitive returns’ (paragraph 173), willing buyers and other relevant guidance. Market testing and understanding how developers/landowners bring development land forward is clearly integral to this. Indeed, the LHDG document ‘Viability Testing Local Plans’ (2012) and the RICS’s ‘Financial Viability in Planning’ both talk about the importance of market testing and market ‘sense-checking’.

12 There is no one set way of assessing development viability and the extent to which market value is taken into account varies across different approaches. The market value of land is clearly a central concern for developers when considering whether or not to release land for development. However, it is not the usual approach used by Councils in drafting planning policy. CIL is, of course, different. As explained above, it is not planning policy. In this context, BL/Aviva consider that understanding market value, and the effect on the market value of land of the burden of CIL charges, is vitally important in ensuring CIL rates reflect normal circumstances and the considerations associated with bringing Development Plan sites forward.

13.The Council’s Viability Study demonstrates an inconsistent approach in terms of what price it assumes land-owners will bring land forward at, and at what price prospective buyers will be also be ‘willing’. The Study mainly assumes that this will be at the equivalent of current use value plus a percentage premium, but there is no justification for the percentages assumed and very little justification for the adopted current use values (which appear low). Furthermore, there is no market testing or ‘sense checking’ between the values that have been assumed and land values evident from the market (which could be, and should have been, sourced from; land agents, various data sources and the Land Registry).

In the context of CIL setting, it is considered that the use of actual land transactions are fundamentally misleading as a means of assessing viability of a planning policy. This was accepted at the Mayoral CIL examination. Market transactions will always (or should be) based on current planning policy requirements; they are of no assistance to a local authority in determining what planning requirements could be sought in the future. Furthermore, market transactions often fail to take full account of planning policy requirements (developers have a tendency to ‘take a view’ on being able to squeeze the affordable housing or S106 requirements, thus compensating for overpayment for land). They frequently include expectations of increasing sales values, so they do not reflect the current market. Basing the assessment on current use value is an approach that the RICS guidance note recognises as legitimate. It states: “For a development to be financially viable, any uplift from current use value to residual land value that arises when planning permission is granted should be able to meet the cost of planning obligations while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the developer in delivering that project (the NPPF refers to this as ‘competitive returns’ respectively). The return to the landowner will be in the form of a land value in excess of current use value...”

The guidance ‘Viability Testing Local Plans: Advice for planning practitioners’, which was launched by Sir John Harman the Chair of the Housing Delivery Group on 22 June 2012; also

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14. Whilst it is accepted that over time CIL rates ought to depress land values to a reasonable degree, we are concerned that the Council cannot know what relative effect their CIL rates will or might have in the absence of market testing.

15. In-keeping with the NPPF, BL/Aviva propose the need for further CIL viability studies which involve market testing. This needs to be undertaken before anybody is able to appreciate what relative effect the proposed CIL rates may have on the market and delivery of development. Until this occurs, it is British Land/Southwark's opinion that the Council's approach to viability falls short of complying with the NPPF, LHDG and RICS guidance.

16. Enclosure B provides more detailed comments in relation to viability and raises queries/concerns as to the methodology used, for example, in relation to: the link between the various site appraisals and the actual proposed CIL rates; basis of rejecting sites as unviable; inconsistency of approach to Site Benchmark Values; reasonableness of viability inputs/assumptions e.g. build costs.

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recognises this approach as legitimate, with this guidance being directly relevant to planning policy testing. Transactions are helpful in guiding a developer on where their competitors might be pitching their offers. However, it is entirely unhelpful for the purposes of assessing a planning policy. There are too many factors to control for. For transactions to be of any assistance to the Council, the following information in relation to transacted sites would need to be established:

- Were the schemes policy compliant or did they offer levels of affordable housing at less than the required percentage;
- The location of the sites will vary, meaning that prevailing market values might be higher or lower than those applicable to the subject sites;
- The schemes will be built to different densities and building heights, meaning that average values and construction costs will vary substantially;
- The quantum of commercial accommodation provided varies between the schemes, which makes analysis more complicated. The schemes will all have been consented prior to Mayoral CIL being required and these costs will not be included;
- The scheme will have been consented under a different S.106 SPD, which is likely to have resulted in lower S.106 sums being required;
- Historic sites may have received allocations of grant to assist with the delivery of affordable at these schemes;
- The schemes could have incurred abnormal costs, expensive demolition costs, extensive basement excavation etc;
- There may have been specific funding arrangements for the purchasers of the sites might have in place to assist with delivery; and
- We would need to determine whether any of the



developers of these sites actually made a profit

The weakness of this approach advocated is that historic transactions will only tell us whether or not an existing planning policy is viable on a particular site. It is of no assistance in helping a planning authority determine whether a new or amended policy might be viable. Land values should not be treated as an immovable object and the assumption that planning policy must flex accordingly should not be made. If this approach were widely applied, schemes would provide no mitigation measures to address their impact on the communities in which they are located. The document 'Viability Testing Local Plans: Advice for planning practitioners', was launched by Sir John Harman the Chair of the Housing Delivery Group on 22 June 2012. The approach in this document is recommended for use by local authorities and their consultants to plan wide viability and the community infrastructure levy. The approach taken in the RICS guidance to plan making viability and CIL is not recommended by the advice given in 'Viability Testing in Local plans' document (pg 29). The Harman report states:  
"Consideration of the appropriate Threshold land value needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectation. Therefore using a market value approach as a starting point carries a risk of building –in assumptions of current policy costs rather than helping to inform the potential for future policy." It then goes on to state that market value can act as a useful sense check

The approach adopted in the CIL Viability Study is entirely consistent with the June 2012 guidance.

All of the studies mentioned take current use value plus a premium as their starting point for benchmark land value. The viability consultant has taken a consistent approach on benchmark land values for the last ten years. Where a site has an existing building that generates an income (or is capable of generating an income), the capital value of that building has been used as the basis for a current use value. Some sites have been cleared and, in agreement with the Council, purchase prices were used where these sites were previously in Council ownership.

20% has been adopted as a premium as this reflects the average level adopted in applicants' toolkits submitted to the planning authority. It is a widely accepted upper end of the range. Clearly, on a live scheme, the premium would need to reflect site-specific circumstances.

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906 392 Residual Section 106 and Section 278 assumptions

17. The BNPP Viability Study, which underpins the Council's Draft Charging Schedule, includes a number of standard assumptions in relation to development costs. A central tenet of Government's introduction of CIL is that, to a large extent, it will result in a reduction of Section 106 costs. Whether this is true is very much dependent on the circumstances on a site by site basis. However, clearly if a Charging Authority assumes a standard rate across its area then this should be approached with caution and needs to be justified.

18. As set out in the October 2012 representations, British Land/Aviva is concerned that the Council has assumed standard Borough-wide rates for Section 106 (and Section 278) based on no analysis or justification. This is inappropriate for such a fundamental development cost and given its relationship with CIL rates.

19. British Land/Aviva ask that the Council provide justification: for assuming a Borough-wide standard rate, as opposed to a differential rate according to location (e.g. in relation to strategic policy allocations such as that covered by the Canada Water AAP); for the level of assumed 'scaling-back' of Section 106 rates (pre- and post-Borough CIL taking effect); for the relationship

The council has provided further information on the s106 assumptions which have been made in undertaking the appraisals and the justification for these in the updated CIL background paper.

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between the standard rate and the infrastructure items the Council expects (derived from its Infrastructure Plan and other evidence e.g. recent example Section 106 Agreements) to be covered by Section 106 in the future versus CIL.

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906 393 Consideration of recent Section 106 Agreements and Affordable Housing delivery

20. The Council has not provided any evidence that considers proposed CIL rates against amounts raised in recent years through Section 106 Agreements and the extent to which affordable housing and other policy targets (e.g. housing supply) have been met. This is a specific requirement of CLG's 'Community Infrastructure Levy: Guidance' (December 2012). BL/Aviva has undertaken its own analysis (contained in the October 2012 representations) which suggests that the CIL rates proposed by the Council are substantial in excess of amounts raised in recent Section 106 Agreements and that generally affordable housing policy targets have not been achieved. This is very concerning and the Council needs to justify why increased development costs can be achieved alongside policy compliant development, especially in respect of affordable housing. Any increased costs need to be approached with caution given the current economic climate and that land values are unlikely to adjust in the short to medium term.

The council has provided further information on the s106 assumptions which have been made in undertaking the appraisals and the justification for these in the updated CIL background paper.

The CIL background paper has also been updated to provide further information about impact on affordable housing.

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906 394 Other

21. Mayor of London CIL: the assumptions for the timing of the payment of the Mayoral CIL appear to be incorrect and have not been accurately reflected in the cashflows of the various site appraisals contained in the Council's Viability Study. Mayoral CIL has not been 'plugged-in' to the appraisals as a development cost, which it is. As a result, the appraisals do not consider the financial impact and demands of the Mayoral CIL on project financing, particularly on cashflow. Also, the appraisals do not take into account the payment structure for the Mayoral CIL as set out in the Draft SPG: 'Use of planning obligations in the funding of Crossrail and the Mayoral Community Infrastructure Levy' (November 2012).

The viability study has been revised and Mayoral CIL and Crossrail s105 have been inputted as a development cost.

22. Mayor of London Crossrail tariff: paragraph 4.27 of the Viability Study explains that the Mayor's Crossrail tariff has been taken into account. This is not particularly clear from the various site appraisals and needs to be clarified.

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906 395 In response to Officer Response to Rep 225

This is noted. British Land/Aviva has two comments to make in this respect: Firstly, the CIL Regulations require a Charging Authority, when setting CIL rates, to strike an appropriate balance between the desirability of funding from CIL the cost of infrastructure and the potential effects of CIL on the economic viability of development across its area (Regulation 14).

See response to representation no. 428.

The starting point, therefore, in applying the above test is an understanding of development across the Charging Authority's area. This must be derived from the relevant up-to-date Development Plan (including all Development Plan documents). This is consistent with the approach taken to the independent examination of Charging Schedules to date and, most importantly, in-keeping with the NPPF (paras 173-175). It is also something that has been clarified in CLG's statutory guidance on CIL: paragraphs 4 and 8 confirm that Charging Schedules should be consistent with the up-to-date Local Plan.

The Charging Authority's CIL evidence needs to be able to conclude that the proposed rates will be viable for the sufficient number and type of developments upon which the Development Plan relies over the course of the Plan period. In other words, the evidence must be able to enable the Charging Authority to reliably and robustly conclude whether the impact of CIL would be to pose a substantial risk to the deliverability of the Development Plan.

As LBS have pointed out, in this case, the Development Plan includes the Canada Water AAP. This was adopted on 28th March 2012. An AAP is by definition a development plan document focused on a specific area subject to significant change.

The Canada Water AAP is a plan to regenerate the area around Canada Water (amounting to around 308 hectares) and sets out a vision for how the area will change over the period leading up to 2026.

The vision for Canada Water as set out in the AAP includes a number of objectives, as listed below. It is clear that Canada Water plays a strategic role in relation to the Development Plan.

- A new town centre destination, combining shopping, civic and leisure, business and residential uses.
- Expanding the retail space and offer.
- At least 2,500 new homes, accommodated in generally mixed use development.
  
- At least 875 affordable housing units.
  
- Around 2,000 new jobs.
- Improved public realm and road network.
- New/improved social infrastructure – including a new secondary school.
- Green infrastructure.
- Highest possible environmental standards.

In order to deliver the above vision, the AAP designates a number of proposal sites (these are set out in Appendix 8 of the document). For each of the sites the AAP sets out required uses and estimated capacities.

Appendix 6 of the AAP contains a schedule of new or improved infrastructure proposals necessary to deliver the development/growth promoted by the AAP.

For each infrastructure item, the Council has estimated funding mechanisms and timing. British Land/Aviva in their October 2012 representations to the Preliminary Draft Charging Schedule noted concern in relation to the extent to which the Development Plan has been assessed and informed the Council's proposed CIL rates (refer to paragraphs 3.6-3.11 of October 2012 representations). More specifically, this is an issue in respect of the Canada Water AAP. It is unclear how the AAP has informed the Council's Draft Charging Schedule – whether that be particular designated sites that have been selected for testing (have all of the designated sites been tested, a selection of sites, or none?) or, for example, around how infrastructure requirements and their funding has determined residual Section 106 assumptions.

Overall, it is British Land/Aviva's concern that greater clarity is needed around how the AAP has been approached: should the delivery of the AAP be put at risk, then this would clearly in turn pose serious questions as to the deliverability of the Development Plan more widely. Canada Water needs to be treated as a strategic allocation for CIL setting, especially in the context of CLG's CIL statutory guidance: paragraph 27 of the guidance highlights that particular attention needs to be focused on strategic sites. As it stands, British Land/Aviva is concerned that the Council is unable to draw any reasonable conclusions as to the risk posed to the Canada Water AAP – and, therefore, the Development Plan – on the basis of the current evidence base underpinning the Draft Charging Schedule.

Secondly, LBS is currently reviewing parts of the Canada Water AAP. It is understood, following discussion with the Council, that a draft version of the revised AAP will be publicly available on 9th April 2013 and considered at a Council Cabinet meeting on 16th April 2013.

Paragraph 175 of the NPPF explains that CIL charges should be worked up and tested alongside the Local Plan. The Council has the opportunity to prepare its Draft Charging Schedule alongside the revised AAP. It is clearly important that this happens to ensure the risk of any inconsistency or mismatch between planning policy and CIL is minimised. The two cannot be at odds with each other. Should the Council not take into account the AAP review, British Land/Aviva is concerned that CIL rates will be misinformed and potentially very quickly out of date – does the revised AAP propose different development capacity and infrastructure requirements, for example, that could have a bearing on viability?

In addition to the general concerns as noted above in relation to the current adopted AAP, it is unclear how the Council is taking into account the revised AAP. This needs to be clarified.

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906 396 In response to Officer Response to Rep 226

There is no one correct approach to testing viability. However, any approach must be undertaken in the context of the NPPF. This is concerned with incentivising development and ensuring viability / deliverability. Paragraph 73 of the NPPF in this respect recognises the importance of providing competitive returns to a willing land owner and willing developer to enable development to be

The document 'Viability Testing Local Plans: Advice for planning practitioners', was launched by Sir John Harman the Chair of the Housing Delivery Group on 22 June 2012. The approach in this document is recommended for use by local authorities and their consultants to plan wide viability and the community infrastructure levy. The

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deliverable. This is especially important for CIL given it is a tax and not planning policy. It is inherently more fixed and inflexible compared to policy: it cannot be negotiated. The RICS 'Financial Viability in Planning' guidance was published after the Local Housing Delivery Group ("LHDG") guidance and provides guidance on site specific viability testing and how to approach it with respect to setting CIL rates. Overall, we believe that the RICS have considered this topic more extensively and over a greater period of time than the LHDG.

However, what both the LHDG and RICS guidance recognise is that the existing Market Value of land will be diminished somewhat by CIL charges. Both say that this should not be to a level where landowners lose the incentive to sell. That level needs to be assessed with reference to evidence. Evidence can only start with some analysis of where current Market Values are so that potential CIL impacts can be assessed. Both sets of guidance recognise the importance of market testing and sense-checking.

British Land/Aviva are concerned that the Council has not undertaken appropriate or sufficient market testing. The approach taken in the Viability Study uses an arbitrary percentage premium to current use values which, as a consequence, may be too far below existing Market Values to represent a robust basis for CIL rates. Actual market testing should be undertaken to best reflect the guidance offered by LHDG and RICS and ensure the Council can demonstrate accordance with the NPPF.

approach taken in the RICS guidance to plan making viability and CIL is not recommended by the advice given in 'Viability Testing in Local plans' document (pg 29). The Harman report states: "Consideration of the appropriate Threshold land value needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectation. Therefore using a market value approach as a starting point carries a risk of building –in assumptions of current policy costs rather than helping to inform the potential for future policy." It then goes on to state that market value can act as a useful sense check. With regard to the CIL Viability Study, we confirm that some of the benchmarks used in the viability study were market values

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906 397 In response to Officer Response to Rep 227

The Council's response does not alleviate British Land/Aviva's concern that the Council has not provided any evidence that considers the proposed rates with recently secured Section 106 obligations. Since submitting representations in October 2012 CLG has now picked up on this matter in its statutory guidance note. The specific requirement is set out at paragraph 22 of the guidance and states: "as background evidence, the charging authority should ... prepare and provide information about the amounts raised in recent years through section 106 agreements. This should include the extent to which affordable housing and other targets have been met."

Clearly, as already stated by British Land/Aviva, this need not be deterministic of the appropriate level for CIL rates, it serves as an important indicator of the reasonableness and appropriateness of proposed rates and, importantly, their likely effect on development viability. British Land/Aviva contend that without this sort of benchmarking/comparison exercise it is difficult for any Charging Authority to properly predict the effect of an increased burden on development viability, particularly in respect of affordable housing policy targets.

We have set out further detail in the CIL background paper to address the CIL statutory guidance.

In their October 2012 representations, British Land/Aviva include an initial high-level comparison with recent Section 106 Agreements. This illustrates a substantial uplift in development costs as a result of the proposed CIL rates. Whilst the Council clearly needs to undertake its own analysis, British Land/Aviva are very concerned that the implications of such an uplift will mean a downturn in housing delivery, especially affordable housing. This is expected to particularly hit over the short/medium term, as any potential adjustment of land values would not have occurred.

906 398 In response to Officer Response to Rep 228

The Council's response does not address British Land/Aviva's query. The BNPP Viability Study assumes a standard rate for residual Section 106. This is a blanket rate for the entire Borough and has not been tailored to more accurately reflect particular policy allocations/designations e.g. the area covered by the Canada Water AAP or the part of the Borough following within the Mayor's Crossrail Charging Zone.

There is no justification or explanation of the proposed standard rate with the Council's evidence base. It is unclear, therefore, how the rate has been arrived at. In this respect, one is not able to understand how the standard rate reflects the Council's Development Plan policies and Infrastructure Plan (including the infrastructure items specifically set out in the Canada Water AAP).

British Land/Aviva is concerned that the standard rate that has been applied is over-optimistic in its assumed scaling back of Section 106, especially for strategic policy allocations such as Canada Water AAP. Based on its own high-level exercise, British Land/Aviva consider the average Section 106 costs per residential unit (assuming an average size unit of c.75sqm) to be around £6,000. The Council has assumed a scaling back of 83% to a standard rate of £1,000.

This is unjustified and British Land/Aviva urge the Council to take a more reasonable and pragmatic approach, especially for areas such as Canada Water where substantial development is anticipated and, for the reasons set out in paragraph 3.22 of the October 2012 representations, substantial Section 106 costs are likely to remain for the foreseeable future.

The Council's response on this point does not enable British Land/Aviva to understand how the Draft Charging Schedule relates to paragraph 85 of CLG's statutory guidance document. This paragraph states: "The Government expects charging authorities will work proactively with developers to ensure they are clear about charging authorities' infrastructure needs and what developers will be expected to pay for through which route. This is so that there is no actual or perceived 'double dipping', with developers paying twice for the same item of infrastructure."

The Council has published its Draft Regulation 123 List. This is helpful. But, it would appear that there are a number of items excluded that developers should, therefore, assume at this stage are

The Council is testing £1,500 per unit across the borough, which is based on historic levels at a variety of schemes, including those at Canada Water. Of those items listed, in certain circumstances some may be required for a development to proceed, therefore the Council retains the right to seek these. The forthcoming S106 SPD will highlight when S106 may secure them and read with the infrastructure plan and Reg 123 should make clear what is S106 and what is CIL.

to be funded through Section 106 (NB. Paragraph 86 of the CLG statutory guidance document states: "Regulation 123 of the Community Infrastructure Levy Regulations provides for charging authorities to set out a list of those projects or types of infrastructure that it intends to fund through the levy. This list should be based on the draft list that the charging authority prepared for the examination of their draft charging schedule"). Take the Canada Water AAP area, for example, the non-Draft Regulation 123 List items could include, inter alia:

- a)  Highway improvements (excluding Lower Road).
- b)  TfL public transport requirements e.g. bus service and infrastructure enhancement, Mayor's Cycle Hire.
- c)  Travel Plan measures.
- d)  Public realm / environmental improvements (streets, squares, parks, etc).
- e)  CPZ extension.
- f)  On-site in-kind social infrastructure provision e.g. health facilities, community facilities.
- g)  On-site in-kind open space provision.
- h)  Children's play facilities.
- i)  Employment and training initiatives/funding.
- j)  Energy infrastructure / district heating network.

The extent of the above illustrates that future Section 106 costs associated with development in Canada Water are likely to be substantial and a mismatch with the Council's standard rate assumption.

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906 399 In response to Officer Response to Rep 230

In British Land/Aviva's opinion, the Council's approach is not consistent with either the NPPF, LHDG or RICS guidance because there is no analysis or consideration of current market conditions and market values across different property uses and across the Borough. Whilst it is accepted that these values will be affected by CIL, no evidence that such consideration has taken place indicates that Council cannot know what impact their proposed CIL Charging Schedule will/might have on the market and on the delivery of development/land.

As a starting point to their assessment of what is viable across the Borough, the Council appears to be saying that the market should be satisfied with accepting CUV plus 25% for land but do not know how this actually compares to current Market Values. British Land/Aviva are concerned that market testing / sense-checking has not been undertaken to support this blanket assumption. Whilst it is appreciated that CIL setting is a challenging process, it is reasonable and pragmatic to suggest that the CIL rates should be market tested. This is particularly important for CIL, when compared to Development Plan evidence base, because CIL is different. It is not policy and

The viability assessment has been revised and some important assumptions, such as residual s106 expectation have been amended.

The document 'Viability Testing Local Plans: Advice for planning practitioners', was launched by Sir John Harman the Chair of the Housing Delivery Group on 22 June 2012. The approach in this document is recommended for use by local authorities and their consultants to plan wide viability and the community infrastructure levy. The approach taken in the RICS guidance to plan making viability and CIL is not recommended by the advice given in 'Viability Testing in Local plans' document (pg 29). The Harman report states: "Consideration of the appropriate Threshold land value needs to take account of the fact that future



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cannot be negotiated. It is especially important that the Council takes a cautious approach, supported by market evidence, for this reason.

All of the points raised by Strutt & Parker (in Appendix 1 of the British land/Aviva October 2012 Representations) remain valid and, essentially, unanswered.

plan policy requirements will have an impact on land values and landowner expectation. Therefore using a market value approach as a starting point carries a risk of building –in assumptions of current policy costs rather than helping to inform the potential for future policy.” It then goes on to state that market value can act as a useful sense check. With regard to the CIL Viability Study, we confirm that some of the benchmarks used in the viability study were market values.

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906 401 In response to Officer Response to Rep 231

Refer to response in relation to Representation Reference 225. Overall, British Land/Aviva is concerned that the implications of the Council proposed CIL rates have not been adequately informed by the Canada Water AAP or tested in respect of development site designated within the AAP document.

It is unclear how the sites tested within the BNPP Viability Study relate to the sites designated in the AAP, including their assumed capacity and infrastructure requirements.

In this respect, British Land/Aviva also note that paragraphs 2.1 and 2.2 of the Council's Infrastructure Plan (February 2013) provides the anticipated development pipeline over the Plan-period (up to 2026) and explain that this is derived from a number of evidence base studies. These include a number of Development Capacity Assessments undertaken for different areas across the Council's area and are available on the Council's website. By way of example, a Development Capacity Assessment has been undertaken for the Canada Water area. It provides a schedule of development sites and assumed capacity. It is unclear – as with the sites contained within the Canada Water AAP – how these sites have been assessed for CIL setting purposes as part of the BNPP Viability Study.

The Council needs to clarify and confirm how the BNPP Viability Study relates to the Canada Water AAP and the Canada Water Development Capacity Assessment. British Land/Aviva is concerned that this remains unclear despite comments and queries raised at the Preliminary Draft Charging Schedule stage.

It is noted that the CLG statutory guidance document in its section on 'Appropriate Available Evidence' explains that an appropriate range of sites should be sampled, working with developers

Further explanation of the relationship between the development plan, capacity and the proposed CIL is set out in the CIL background paper.

to supplement existing data. Therefore, alongside clarifying the above, British Land/Aviva request that the Council explain the extent to which developers have been directly involved in informing specific data (especially in relation to the type of data mentioned at paragraph 26 of the CLG statutory guidance document) for Canada Water.

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906 402 In response to Officer Response to Rep 232

Refer to response in relation to Representation References 225 and 231. British Land/Aviva appreciate that setting differential charge zone boundaries is a complex matter. However, consistent with points raised in the October 2012 representations and in response to Representation References 225 and 231 above, it is concerning that the starting point has not been strategic planning policy allocations/designations (such as Canada Water). The Canada Water area is the subject of a specific AAP due to its central importance to the realisation of the Council's Core Strategy. As such, there are specific planning policies and objectives for Canada Water different to other parts of the Borough. It is unclear why Canada Water has been treated the same as other sites in viability terms. As requested in relation to Representation References 225 and 231, the Council needs to clarify how the Canada Water AAP has informed the Draft Charging Schedule. Following on from this, British Land/Aviva ask that the Council explains why a differential charge rate has not been considered or proposed.

See response to representation number 428. The proposed CIL has been fully taken into account in the preparation of the revised Canada Water AAP.

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906 403 In response to Officer Response to Rep 233

Refer to response in relation to Representation Reference 227. The reference to 'historic Section 106 obligations' and 'historical viability' is misleading. The key point here is that the proposed CIL rates need to be compared to recent Section 106 Agreements in order to inform the Council as to the order of magnitude difference and the associated risks, particularly in respect of affordable housing policy targets. Simply, should rates be substantially higher than recent Section 106 Agreements (especially those having been through a process of independent open book viability appraisal) then this would pose a serious threat to the delivery of Development Plan policy. This would be particularly marked in the short term given limited ability for land values to adjust and is expected to result in either development stalling and/or affordable housing delivery reducing below existing average levels. In accordance with paragraph 22 of CLG's statutory guidance document the charging authority should prepare and provide information about the amounts raised in recent years through section 106 agreements. This should include the extent to which affordable housing and other targets have been met. Once this analysis has been undertaken the Council should consider afresh its proposed CIL rates and, should there be no change, explain why any increased development costs can be met alongside affordable housing policy targets. In undertaking this exercise British

The scenarios tested have been tested against policy compliant development. See above with reference to the level of S106 being tested.

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Land/Aviva advise that evidence should particularly focus on those developments that have been the subject of independent open book viability assessment, since these provide the most reliable evidence and the most relevant evidence in terms of the nature of development underpinning the Development Plan (i.e. larger schemes).

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906 404 In response to Officer Response to Rep 234

We are testing a level of £1,500 per unit.

Refer to response in relation to Representation Reference 228. Concerns raised in the October 2012 representations (paras 3.19-3.26) in relation to unjustified residual Section 106 standard assumptions and estimated 'scaling back' of Section 106 remain.  
In British Land/Aviva's opinion, there is a substantial gap in the Council's evidence base concerning the relationship between Section 106 and CIL. Whilst the Council has now published a Draft Regulation 123 List, it is unclear how this – when read alongside the Council's Infrastructure Plan (February 2013) and Development Plan documents – results in a standard rate figure for residual Section 106 of £1,000 per unit.  
In light of the above, it is not currently possible to understand how the Draft Charging Schedule relates to paragraphs 84 to 91 of the CLG statutory guidance.

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906 405 In response to Officer Response to Rep 235

Comments noted.

Refer to responses above, in particular Representation References 225, 231 and 232.

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906 406 In response to Officer Response to Rep 236

British Land/Aviva met with Council officers and BNPP representatives on 10th January 2013. A note of the meeting is attached and has been previously issued to the Council. It illustrates discussion around the key issues set out in the British Land/Aviva October 2012 representations, but does not resolve concerns around the approach taken to the evidence base underpinning the Council's CIL charging rates. At the meeting it was agreed that Strutt & Parker, on behalf of British Land/Aviva, could visit BNPP offices to review 'live' versions of the Viability Study site appraisals: these being key to understanding in greater detail assumptions around land value, development costs and development programme/cash-flow. Subsequent to the 10th January 2013 Council officers confirmed that the meeting with BNPP would only be allowed to take place post Council Cabinet approval of the Draft Charging Schedule. This was unfortunate given the limited flexibility in revising a Draft Charging Schedule after it has been published (refer to paragraph 49 of the CLG statutory guidance).

The appraisals have been revised and updated in response to consultation comments made. Any errors have been corrected. The proposed CIL rates in the zone which includes E&C and Canada Water has been reduced from £250 to £200 per hectare.

Notwithstanding the council's view that unviable sites need not be taken into account, which is a view that was supported by the Planning Inspector who conducted the Mayoral CIL examination, further assessment has been undertaken of sites which are unviable, to help show what reductions in affordable housing provision might be necessary to bring these schemes into viability.

Strutt & Parker met with BNPP on 4th March 2013. At the meeting, a sample of site appraisals was reviewed – all of which are located within the Canada Water area. The findings from this

The appraisals have needed to make some

exercise have fed-in to these representations. By way of overview, the following headline points are to be noted and are of concern:

- a)  Of 5 sites discussed in the meeting (all in the Canada Water AAP area), errors made by BNPP in their original financial appraisals removed around £320m of residual land value. This appears to be a large change even in the context of the results from all 41 sites appraised by BNPP and yet a correction of these errors has had no impact on the proposed Charging Schedule which is a concern. Bearing this in mind, British Land/Aviva do not understand the relationship between the sites appraised by BNPP in the Viability Study and the rates set in the proposed Charging Schedule. If not linked, it is unclear where the evidence is for the proposed CIL rates.
- b)  Three out of the 5 sites discussed at the meeting are residential development possibilities. However, by BNPP's assessment, none of these 3 can afford to pay the proposed CIL charge. However, even where such sites are only just unviable, BNPP indicate that these sites have been discounted from assessing what CIL charges are sustainable. This appears to be unreasonable.
- c)  The assumptions adopted in some of BNPP's appraisals were unreasonable (e.g. with respect to residential sales periods). A slight adjustment to some of these assumptions would make some of the sites considered just viable but unable to support much in the way of CIL. This should bring the overall sustainable CIL average down but these sites were excluded.
- d)  Despite suggesting that all Site Value Benchmarks are based upon CUV plus 25%, it was apparent from the 5 sites being discussed that this has not been BNPP's consistent approach and they were unable to justify a deviation from this approach on, for example, Site 30.
- e)  BNPP indicated that the 25% adopted as a land-owner's premium is based upon what they have witnessed in viability submissions by others to Southwark Council. This information has not been made publicly available, but British/Land Aviva doubt whether land owners are generally happy to accept a standard 25% over CUV as an incentive to sell land, without evidence of any market testing.
- f)  The meeting led us to believe that the mathematical averaging approach adopted by BNPP in arriving at their conclusions is a concern.

Overall, as set out in the October 2012 representations, British Land/Aviva wish to work closely with the Council to ensure the approach to CIL setting, as far as reasonably possible, ensures the Development Plan is viable and deliverable (especially in relation to strategic allocations such as Canada Water AAP). British Land/Aviva is concerned that the Council has published its Draft Charging Schedule, but key issues remain around the clarity of approach. In light of this, British Land/Aviva is of the opinion that the Draft Charging Schedule consultation should be re-run once the necessary clarity / additional evidence has been prepared and made publicly available. This is proposed as a reasonable next step in the context of CLG's statutory guidance (paragraph 49).

assumptions about sales rates. The council does not consider that the assumption about sales rates is "unreasonable". While increasing sales rates might make some sites viable, it could also increase the maximum CIL available on the viable sites.

The premiums used in the study are considered reasonable and reflect the fact that real sites have been used (unlike some other boroughs' CILs which have used notional sites to undertake the appraisals).

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906 407 In response to Officer Response to Rep 237

In British Land/Aviva's opinion, the Council's approach is not consistent with either the NPPF, LHDG or RICS guidance because there is no analysis or consideration of current market conditions and market values across different property uses and across the Borough. Whilst it is accepted that these values will be affected by CIL, no evidence that such consideration has taken place indicates that Council cannot know what impact their proposed CIL Charging Schedule will/might have on the market and on the delivery of development/land.

If one looks at the column entitled 'basis of EUV' in Appendix 2 of BNPP's original CIL Viability Study, it can be seen that the approach to land value is inconsistent and does not reflect either CUV plus 20% or purchase prices relevant to ex-Council owned sites. A variety of other approaches have been used including explicit references to:-

- Capitalisation of rateable value.
- CUV plus 10%.
- CUV plus 20%.
- Industrial land value based on £x per acre.

Subsequent information provided by BNPP (e.g. for Sites 28a, 29 and 33a) indicated CUV plus '25%'.

It is a concern that BNPP's approach to Site Value Benchmarks is inconsistent and there does not appear to be any explanation of this.

The Council's response in relation to this matter is incorrect, and as Site Value Benchmarks are the epicentre of development viability, this is a significant concern. If the Council consider that the Viability Study has used a standard approach to Site Value Benchmarks, it has not and British Land/Aviva ask the Council to provide an explanation as to why the seemingly inconsistent approach is justified.

The premiums used in the study are considered reasonable and reflect the fact that real sites have been used (unlike some other boroughs' CILs which have used notional sites to undertake the appraisals). The level of information provided and the approach taken is proportionate to the task of setting a CIL.

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906 408 In response to Officer Response to Rep 238

British Land/Aviva are concerned that – in the context of the NPPF – no attempt has been made by the Council to understand the existing local land market. This is considered to be a flaw in the current evidence base and raises doubt over the appropriateness of the viability evidence and its reflection of normal circumstances under which development land comes forward.

The LHDG guidance which the Council advise as the basis of the approach used in the Viability Study states: "As noted above, local sources should be used to provide a view on market values (the 'going rate'), as a means of giving further sense check on the outcome of the current use plus premium calculation". British Land/Aviva can see no evidence that this has occurred

The document 'Viability Testing Local Plans: Advice for planning practitioners', was launched by Sir John Harman the Chair of the Housing Delivery Group on 22 June 2012. The approach in this document is recommended for use by local authorities and their consultants to plan wide viability and the community infrastructure levy. The approach taken in the RICS guidance to plan making viability and CIL is not recommended by the advice given in 'Viability Testing in Local plans' document (pg 29). The Harman report states: "Consideration of the appropriate Threshold land

value needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectation. Therefore using a market value approach as a starting point carries a risk of building –in assumptions of current policy costs rather than helping to inform the potential for future policy.” It then goes on to state that market value can act as a useful sense check. With regard to the CIL Viability Study, we confirm that some of the benchmarks used in the viability study were market values.

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906 409 In response to Officer Response to Rep 239

Refer to response in relation to Representation Reference 232. It is unclear how the Council has approached the Development Plan as a starting point. British Land/Aviva is particularly concerned with the Canada Water area. The area plays a key role in the Council’s Development Plan objectives and, as such, is the subject of a specific AAP. As already requested in these representations, the Council need to clarify to what extent the AAP (and related evidence e.g. Development Capacity Assessment) has been taken into account. This is necessary in the context of paragraphs 4 and 8 of CLG’s statutory guidance.

The CLG CIL Guidance (April 2013) identifies at paragraph 27 that, ‘a charging authority should sample directly an appropriate range of types of sites across its area in order to supplement existing data’. Further, the Guidance sets out that ‘the focus should be in particular on strategic sites on which the relevant Plan relies and those sites (such as brownfield sites) where the impact of the levy on economic viability is likely to be most significant.’

This study has taken a locally specific approach appraising 52 sample developments identified by the Council based on actual schemes. These are considered by the Council and BNP Paribas Real Estate to reflect the range of sales/capital values and also sizes/types of developments and densities of development from a range of existing uses that have and will come forward across the borough.

As recommended by the guidance, a large number of the sample sites tested relate to the development of strategic areas for growth upon which the Core Strategy relies. Figure 3.17.2 of the CIL Viability Study identifies the location of the

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opportunity areas/action areas in the borough and the sample development sites for testing.

We note that over 75% of the council's 5 year supply of homes already has planning permission. The council is reliant on the delivery of numerous sites to meet its London Plan housing targets: there are only two sites which account for more than 5% of the council's 10 year housing target, being the Heygate estate redevelopment (which has planning permission) and the Aylesbury estate redevelopment (the first two sites of which have permission).

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906 410 In response to Officer Response to Rep 240

British Land/Aviva are concerned that the Council has not considered market 'sense-checked' their choice of Site Value Benchmarks.

The document 'Viability Testing Local Plans: Advice for planning practitioners', was launched by Sir John Harman the Chair of the Housing Delivery Group on 22 June 2012. The approach in this document is recommended for use by local authorities and their consultants to plan wide viability and the community infrastructure levy. The approach taken in the RICS guidance to plan making viability and CIL is not recommended by the advice given in 'Viability Testing in Local plans' document (pg 29). The Harman report states: "Consideration of the appropriate Threshold land value needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectation. Therefore using a market value approach as a starting point carries a risk of building –in assumptions of current policy costs rather than helping to inform the potential for future policy." It then goes on to state that market value can act as a useful sense check. With regard to the CIL Viability Study, we confirm that some of the benchmarks used in the viability study were market values.

| Obj-<br>ector<br>Ref | Rep.<br>Ref | Details of Representation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Officer Response to Representation                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| 906                  | 411         | <p>In response to Officer Response to Rep 241</p> <p>British Land/Aviva are concerned that the 20% profit level has not been informed by market testing and market sense-checking in line with the NPPF, LHDG guidance and RICS guidance.</p>                                                                                                                                                                                                                                                                                                 | <p>A premium of 20% is consistent with the approach taken elsewhere in London, reflects BNPP's experience of the market in Southwark and is consistent with the approach taken in viability appraisals submitted with planning applications in Southwark.</p>                                                                                                                                                                                         |
| 906                  | 412         | <p>In response to Officer Response to Rep 242</p> <p>Refer to response in relation to Representation Reference 226.</p>                                                                                                                                                                                                                                                                                                                                                                                                                       | Noted.                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 906                  | 413         | <p>In response to Officer Response to Rep 243</p> <p>No comment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Noted.                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 906                  | 414         | <p>In response to Officer response to 244</p> <p>British Land/Aviva are concerned that the evidence referred to here has not been made publicly available.</p>                                                                                                                                                                                                                                                                                                                                                                                | <p>The council is confident that the values adopted are realistic and reflect live situations.</p>                                                                                                                                                                                                                                                                                                                                                    |
| 906                  | 415         | <p>In response to Officer response to rep 245</p> <p>In reality, British Land/Aviva are concerned that actual tenders and contract prices end up being significantly higher than generic BCIS data would have suggested.</p> <p>We believe that independent comment from an experienced quantity surveyor should have been obtained as to the adequacy of BCIS data bearing in mind the importance of CIL.</p> <p>We suggest that build costs are tested with developers with recent development appraisals for schemes within Southwark.</p> | <p>The council's view is that BCIS data is a reliable source of information for a CIL study. Build costs are sourced from BCIS to which an allowance for external works and infrastructure has been added, but also from tenders for housing projects that the Council has procured. The Council has led numerous regeneration schemes and it has access to a wealth of information on actual build costs which it has considered alongside BCIS.</p> |
| 906                  | 416         | <p>In response to Officer response to rep 246</p> <p>The picking of BCIS data across the board but making reference to site specifics for the justification of lower than typical professional fees is 'cherry picking'. This is a concern.</p>                                                                                                                                                                                                                                                                                               | <p>The appraisals are based on real sites. In the light of that, site specific circumstances should be given some consideration.</p>                                                                                                                                                                                                                                                                                                                  |
| 906                  | 417         | <p>In response to Officer response to rep 247</p> <p>Refer to response in relation to Representation References 228 and 234. The Council's evidence provides no explanation or justification as to the standard residual Section 106 rate that has been</p>                                                                                                                                                                                                                                                                                   | <p>The level of £1,500 now being tested is based on the level secured in recent planning permissions over the last 3 years.</p>                                                                                                                                                                                                                                                                                                                       |



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applied. Whilst the Council has published its Draft Regulation 123 List, it is unclear how this – alongside the Development Plan and Infrastructure Plan – has resulted in the assumed blanket standard Section 106 rates for residential and commercial developments. British Land/Aviva is particularly concerned since: (i) the standard rates assume a significant scaling back when compared to current average Section 106 rates; and (ii) the rates are blanket averages across the whole Borough and have not been tailored in relation to specific strategic policy designations, such as Canada Water.

906 418 In response to Officer response to rep 249

Comments noted.

Refer to response in relation to Representation References 228 and 245.

906 419 In response to Officer response to rep 250

Comments noted.

Refer to response in relation to Representation References 228 and 226.

906 420 In response to Officer response to rep 251

Noted

Refer to response in relation to Representation Reference 232.

906 421 In response to Officer response to rep 252

Our original comment is correct, to clarify:

If you look in the column entitled 'Chargeable Floorspace' for Site 28a in Appendix 2 of BNPP's original CIL Viability Study, the area stated is 19,904 which is close to the private residential net sales area. It isn't 22,932.

The stated area of 19,904 is clearly a smaller area than the GIA. However, the calculated sustainable CIL is calculated in Appendix 2 on the figure of 19,904. In other words, the maximum CIL p.s.a. for Site 28a should be £10,595,441 divide 22,932 = £462 p.s.m. whereas BNPP's Appendix 2 calculates it as £10,595,441 divide 19,904 = £532 p.s.m. Multiplied across all of the sites suggests a significant error.

The study uses the methodology calculating CIL which is set out in the Regulations. The uplift in space is apportioned proportionately between uses and therefore the chargeable floorspace for an individual use may not always accord with the floorspace figure for that use set out in the appraisal. 19,904 sqm is the correct figure to use.

906 422 In response to Officer response to rep 253

Student accommodation is not the same as general residential and should be separately analysed within the CIL Viability Study evidence.

The council has tested student accommodation developments in both the viability appraisals carried out by BNPP and those undertaken by Montagu Evans.

906 423 In response to Officer response to rep 254

BL/Aviva have now seen live appraisals.

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|                      |             | <p>The hard copy information provided does not enable the weighting of income and costs over time to be viewed. It is unclear why the 'live' appraisal models cannot be provided.</p> <p>British Land/Aviva consider that specialist hotel input should be obtained to assess what amount of CIL hotel development can sustain. British Land/Aviva re-iterate all of the other previous points which remain un-answered.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>The council consider that the capital values applied to hotels are realistic and reflect live situations in Southwark.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 906                  | 424         | <p>In response to Officer response to rep 255</p> <p>British Land/Aviva are concerned that several sites are only just unviable and have been excluded from influencing the average sustainable CIL unreasonably.</p> <p>When British Land/Aviva considered the live development appraisals of five sites at BNPP's offices, it was clear that some unviable sites could be made just viable with reasonable changes to assumptions adopted.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Notwithstanding the council's view that unviable sites need not be taken into account, which is a view that was supported by the Planning Inspector who conducted the Mayoral CIL examination, further assessment has been undertaken of sites which are unviable, to help show what reductions in affordable housing provision might be necessary to bring these schemes into viability.</p>                                                                                                                                                                    |
| 906                  | 425         | <p>In response to Officer response to rep 256</p> <p>Southwark have not satisfied the various British Land/Aviva concerns as evident herein.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Following the previous consultation on the Draft CIL Charging Schedule, further viability testing has been undertaken and the CIL Viability Study and supported CIL background paper have been updated in response to this further work.</p>                                                                                                                                                                                                                                                                                                                     |
| 906                  | 426         | <p>In response to Officer response to rep 263</p> <p>British Land/Aviva remain concerned that the evidence base underpinning the Council's Draft Charging Schedule is inappropriate and that further work and evidence needs to be undertaken. British Land/Aviva recommend that the Council:</p> <p>a) <input type="checkbox"/> Explains how the Draft Charging Schedule accords with the NPPF. In particular paragraphs 173 and 175 of the NPPF which explain that obligations and policy burdens on development should not threaten viability/deliverability and that CIL should be tested alongside the Local Plan.</p> <p>b) <input type="checkbox"/> Explains how the Draft Charging Schedule, and in particular the BNPP Viability Study, has had regard to the various requirements and provisions contained in the CLG statutory guidance document – 'Community Infrastructure Levy: Guidance' (December 2012).</p> <p>c) <input type="checkbox"/> Provides explanation and evidence as to how the Development Plan (the London Plan, Southwark Core Strategy, and various Area Action Plans) has informed the Draft Charging</p> | <p>A) Further information on consistency with the NPPF are set out in the CIL background paper.</p> <p>B) Further information on consistency with the 2013 CIL guidance is set out in the CIL background paper and the updated viability appraisals.</p> <p>C) Further information on the relationship between CIL and the development plan is set out in the CIL background paper.</p> <p>D) Further information on the relationship between CIL and the development plan is set out in the CIL background paper.</p> <p>E) See response to representation 428</p> |

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Schedule.

d)  Provides explanation and evidence as to how the proposed rates set out in the Draft Charging Schedule will impact on the deliverability of the Development Plan (including both Borough-wide and area specific policy targets as well as the Council's housing pipeline).

e)  Clarifies how the policy objectives for the Canada Water area (as set in the Council's adopted Area Action Plan), including particular site designations and infrastructure requirements, have been accounted for in the Council's Charging Schedule evidence base.

f)  Demonstrates that the soon to be published draft revised Canada Water AAP has been taken into account, noting specifically any amendments to development capacity/site designations, housing pipeline and infrastructure requirements compared to the current adopted version.

g)  Provides additional evidence in order to demonstrate market 'sense-checking' of the rates set in the Draft Charging Schedule.

h)  Accords with the NPPF (paragraph 173) and viability guidance documents prepared by LHGD and RICS through demonstrating how the Draft Charging Schedule has been prepared on an understanding of current normal market conditions experienced within Southwark.

i)  Clarifies the relationship between the various site appraisals contained in the BNP Paribas Viability Study and the rates proposed in the Draft Charging Schedule.

j)  Undertakes sensitivities around assumptions in the BNP Paribas Viability Study (e.g. residential sales periods) for those sites rejected as unviable and to consider how the consequential impacts on the proposed CIL rates.

k)  Explains why an inconsistent approach to Site Benchmark Values within the BNP Paribas Viability Study is justified.

l)  Tests Viability Study inputs/assumptions with developers with recent development appraisals undertaken in the Borough in order to ascertain whether, for example, use of generic BCIS data for build costs is reasonable.

m)  Provides relevant evidence to support the Council's assumed standard rates for residual Section 106 and Section 278 costs.

**Officer Response to Representation**

F) See response to representation 428

G) It is particularly relevant to test uses using purchase prices in instances where sites have been cleared. The cleared sites have been tested using purchase prices.

H) Further information on consistency with the NPPF are set out in the CIL background paper.

I) Further information on the relationship between the site testing and the development plan is set out in the CIL background paper.

J) Further testing has been undertaken on unviable sites, to show what reduction in affordable housing would be required to bring sites into viability.

K) Further information has been provided in the updated viability appraisals.

L) Developers and land owners were consulted on the inputs used in preparing both the Elephant and Castle DIF study and the Canada Water viability appraisals. There have been further opportunities for developers to set out their views through consultation on both the preliminary and draft charging schedules which has explicitly set out the costs included in the appraisals.

M & N) Further evidence on section 106 is set out in the CIL background paper.

O) The viability testing has been rerun with Mayoral CIL included as cost.

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n)  Provides evidence that considers proposed CIL rates against amounts raised in recent years through Section 106 Agreements and the extent to which affordable housing and other policy targets (e.g. housing supply) have been met. This is a specific requirement of CLG's 'Community Infrastructure Levy: Guidance' (December 2012).

o)  Amends site appraisals to accurately reflect the timing of the Mayoral CIL as a development cost.

p)  Undertakes the above, to take into account the payment structure for the Mayoral CIL as set out in the SPG: 'Use of planning obligations in the funding of Crossrail and the Mayoral Community Infrastructure Levy' (April 2013).

q)  Demonstrates how the Mayor's Crossrail tariff has been accounted for in relevant site appraisals.

**Officer Response to Representation**

P) The viability testing has been rerun with Mayoral CIL included as cost.

Q) Crossrail section 106 obligations have been included as a cost where relevant.

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906 427 In response to Officer response to rep 264

British Land/Aviva remain unclear as to why particular sites have been chosen and their relationship with sites designated and allocated by the Development Plan.

The CLG CIL Guidance (April 2013) identifies at paragraph 27 that, 'a charging authority should sample directly an appropriate range of types of sites across its area in order to supplement existing data'. Further, the Guidance sets out that 'the focus should be in particular on strategic sites on which the relevant Plan relies and those sites (such as brownfield sites) where the impact of the levy on economic viability is likely to be most significant.'

This study has taken a locally specific approach appraising 52 sample developments identified by the Council based on actual schemes. These are considered by the Council and BNP Paribas Real Estate to reflect the range of sales/capital values and also sizes/types of developments and densities of development from a range of existing uses that have and will come forward across the borough.

As recommended by the guidance, a large number of the sample sites tested relate to the

development of strategic areas for growth upon which the Core Strategy relies. Figure 3.17.2 of the CIL Viability Study identifies the location of the opportunity areas/action areas in the borough and the sample development sites for testing.

We note that over 75% of the council's 5 year supply of homes already has planning permission. The council is reliant on the delivery of numerous sites to meet its London Plan housing targets: there are only two sites which account for more than 5% of the council's 10 year housing target, being the Heygate estate redevelopment (which has planning permission) and the Aylesbury estate redevelopment (the first two sites of which have permission).

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906 428 In response to Officer response to rep 265

Refer to response in relation to Representation Reference 225.

The Council's response on this issue does not provide sufficient clarification or alleviate concerns in relation to how the Canada Water AAP – as a strategically important policy allocation – has informed the Draft Charging Schedule. This concern is raised in the context of CLG's statutory guidance which places a particular emphasis on strategic development. As already requested in these representations, British Land/Aviva ask that the Council urgently clarify how the Canada Water AAP has been taken into account, particularly insofar that the individual sites designated within the AAP have been accounted for. It is not possible, from the evidence made available by the Council, for British Land/Aviva to understand which of the AAP designated sites have been taken into account, whether these have been discussed with developers to ensure best available data has been utilised, whether specific Canada Water infrastructure requirements have been accounted for in determining residual Section 106, etc.

The viability evidence prepared to inform the draft charging schedule involved testing the following sites in the Canada Water action area: Sites 27, 28, 29, 32, 33, 42, 48 and 50.

Since the draft CIL charging schedule was published, the council has undertaken further work on testing the viability of the key sites at Canada Water which have been the subject of the AAP review: Harmsworth Quays, Site E, Mulberry Business Park and Surrey Quays Leisure Park. A viability study was published alongside the draft revised Canada Water AAP (preferred options stage) in May 2013. The viability study, undertaken by Montagu Evans, tested the feasibility proposals set out in the masterplanning feasibility study undertaken by Hawkins Brown, also published in May 2013.

The inputs into the viability study were consulted on with landowners in November 2012. All relevant

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costs were included (the feasibility proposals were costed by Theobald and Gardiner). All works on-site, including open spaces, utilities, road infrastructure etc were included as a development cost. In addition, the study allowed for section 106 obligations of £1,000 per unit for off-site works. Both Southwark's CIL and Mayoral CIL were input as costs.

Since the Montagu Evans viability study was published, further testing has been undertaken, including increasing the amount of residual section 106 obligations to £1,500 per unit and retesting impacts on affordable housing. Since the study was undertaken, two of the four sites tested have received planning permission.

The council is confident therefore that the impact of CIL at Canada Water has been thoroughly tested, with impacts of CIL on viability being explicitly set out in both the BNPP studies and the Montagu Evans studies.

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| 906                                                            | 429 | In response to Officer response to rep 266 | Noted |
| Refer to response in relation to Representation Reference 226. |     |                                            |       |

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| 906                                                            | 430 | In response to Officer response to rep 267 | Noted |
| Refer to response in relation to Representation Reference 236. |     |                                            |       |

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| 906                                                           | 431 | In response to Officer response to rep 268 | Noted |
| Refer to response in relation to Representation Reference 263 |     |                                            |       |

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| 906                                                           | 432 | In response to Officer response to rep 272 | Noted |
| Refer to response in relation to Representation Reference 236 |     |                                            |       |

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| 906                                                            | 433         | In response to Officer response to rep 273                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Noted                                                                                                                                                                                                                                    |
| Refer to response in relation to Representation Reference 237. |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                          |
| 906                                                            | 435         | REPRESENTATIONS OF BRITISH LAND AND AVIVA LIFE AND PENSIONS LIMITED                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Following the previous consultation on the Draft CIL Charging Schedule, further viability testing has been undertaken and the CIL Viability Study and supported CIL background paper have been updated in response to this further work. |
|                                                                |             | <p>I am writing on behalf of both British Land and Aviva Life and Pensions Limited ('British Land/Aviva') in relation to the consultation on your Draft Charging Schedule for the proposed Community Infrastructure Levy ('CIL') in the London Borough of Southwark ('the Council' or 'the Charging Authority').</p> <p>British Land/Aviva is keen to work closely with the Council to ensure, as reasonably as possible, that proposed CIL rates do not pose a serious risk to the viability and deliverability of development. Both British Land and Aviva have extensive experience of market conditions and viability within Southwark, and wishes to achieve future viable planning consents and deliver new homes, jobs and infrastructure.</p> <p>This letter follows the submission of representations in respect of the Preliminary Draft Charging Schedule ('the October 2012 Representations') which raised a number of significant concerns related to the approach and evidence underpinning the Council's proposed CIL rates. These concerns mirror those raised by a number of large developers/landowners, as set out in the Council's Consultation Report (February 2013).</p> <p>The Draft Charging Schedule — together with supporting documents: Draft Regulation 123 List; Infrastructure Plan; Community Infrastructure Levy Viability Study; Consultation Report — has been reviewed. Significant concerns still remain, largely as set out in the October 2012 representations. Overall, British Land/Aviva is concerned that the response to its representations, provided through discussion and as set out in the Consultation Report, is insufficient to enable a full and proper understanding as to whether, as per paragraph 9 of CLG's 'Community Infrastructure Levy: Guidance' (December 2012), one is able to establish that:</p> <ul style="list-style-type: none"> <li>• the charging authority has complied with the requirements set out in Part 11 of the Planning Act 2008 and the Community Infrastructure Levy Regulations;</li> <li>• the charging authority's draft charging schedule is supported by background documents containing appropriate available evidence;</li> <li>• the proposed rate or rates are informed by and consistent with, the evidence on economic viability across the charging authority's area; and</li> <li>• evidence has been provided that shows the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole.</li> </ul> |                                                                                                                                                                                                                                          |

Attached to this letter are the following enclosures:

- Enclosure A — a summary of British Land/Aviva's concerns.
- Enclosure B — a detailed 'point-by-point' scheduled response to the Council's comments in relation to the October 2012 representations.

It is recognised and appreciated that CIL setting is a complex process and arriving at a rate(s) that is balanced between infrastructure funding and development viability is challenging. However, when the concerns described in Enclosures A and B are taken together, British Land/Aviva consider that the Council's Draft Charging Schedule is likely to pose a significant risk to development across the London Borough of Southwark. For this reason, British Land/Aviva requests the Council undertakes (organised according to the topics set out in Enclosure A):

Relationship with National Planning Policy Framework (NPPF):

a)  To explain how the Draft Charging Schedule accords with the NPPF. In particular paragraphs 173 and 175 of the NPPF which explain that obligations and policy burdens on development should not threaten viability/deliverability and that CIL should be tested alongside the Local Plan.

Compliance with Statutory Guidance:

b)  To explain how the Draft Charging Schedule, and in particular the BNPP Viability Study, has had regard to the various requirements and provisions contained in the CLG statutory guidance document — 'Community Infrastructure Levy: Guidance' (December 2012).

Relationship with the Development Plan:

c)  To provide explanation and evidence as to how the Development Plan (the London Plan, Southwark Core Strategy, and various Area Action Plans) has informed the Draft Charging Schedule.

d)  To provide explanation and evidence as to how the proposed rates set out in the Draft Charging Schedule will impact on the deliverability of the Development Plan (including both Borough-wide and area specific policy targets as well as the Council's housing pipeline).

e)  To clarify how the policy objectives for the Canada Water area (as set in the Council's adopted Area Action Plan), including particular site designations and infrastructure requirements, have been accounted for in the Council's Charging Schedule evidence base.



f)  To demonstrate that the soon to be published draft revised Canada Water AAP has been taken into account, noting specifically any amendments to development capacity/site designations, housing pipeline and infrastructure requirements compared to the current adopted version.

Viability Approach/Methodology:

g)  To provide additional evidence in order to demonstrate market 'sense-checking' of the rates set in the Draft Charging Schedule.

h)  To accord with the NPPF (paragraph 173) and viability guidance documents prepared by LHDG and RICS through demonstrating how the Draft Charging Schedule has been prepared on an understanding of current normal market conditions experienced within Southwark.

i)  To clarify the relationship between the various site appraisals contained in the BNP Paribas Viability Study and the rates proposed in the Draft Charging Schedule.

j)  To undertake sensitivities around assumptions in the BNP Paribas Viability Study (e.g. residential sales periods) for those sites rejected as unviable and to consider how the consequential impacts on the proposed CIL rates.

k)  To explain why an inconsistent approach to Site Benchmark Values within the BNP Paribas Viability Study is justified.

1) To test Viability Study inputs/assumptions with developers with recent development appraisals undertaken in the Borough in order to ascertain whether, for example, use of generic BCIS data for build costs is reasonable.

Residual Section 106 and Section 278 assumptions:

m)  To provide relevant evidence to support the Council's assumed standard rates for residual Section 106 and Section 278 costs.

Consideration of recent Section 106 Agreements and Affordable Housing delivery:

n)  To provide evidence that considers proposed CIL rates against amounts raised in recent years through Section 106 Agreements and the extent to which affordable housing and other policy targets (e.g. housing supply) have been met. This is a specific requirement of CLG's 'Community Infrastructure Levy: Guidance' (December 2012).

Other:

o)  To amend site appraisals to accurately reflect the timing of the Mayoral CIL as a development cost.

p)  In undertaking the above, to take into account the payment structure for the Mayoral CIL as set out in the SPG: 'Use of planning obligations in the funding of Crossrail and the Mayoral Community Infrastructure Levy' (April 2013).

q)  To demonstrate how the Mayor's Crossrail tariff has been accounted for in relevant site appraisals.

Once the necessary additional information/evidence flowing from the above has been provided, this will enable British Land/Aviva to take an informed view as to whether the rates contained in the Draft Charging Schedule are appropriate and reasonable. In keeping with the central themes of consultation and collaborative working with the development industry as provided in the NPPF and CIL Guidance, British Land/Aviva request that additional information/evidence is consulted on.

Given the extent of British Land/Aviva's outstanding concerns and the likely extent of further information/evidence, it is requested that the Draft Charging Schedule consultation is re-run.

British Land/Aviva welcome further dialogue with the once the Council has had the opportunity to consider these representations.

British Land/Aviva wishes to reserve the right to be heard by the CIL Examiner at the forthcoming Examination.

907 330 We act for Development Securities (DS), who have an interest in a number of development sites within the London Borough of Southwark and write in relation to the consultation on the Council's Draft Charging Schedule for the proposed Community Infrastructure Levy ('CIL').

The Council will be aware that DS commented on the first round of public consultation. These representations have regard to the submission of representations made by developers and landowners in October last year in respect of the Preliminary Draft Charging Schedule which raised a number of significant concerns related to the approach and evidence underpinning the Council's proposed CIL rates. It is noted with concern that only very minor changes have been made in relation to those representations made which include:

- A reduction in the CIL rate for Office development in Zone 1;
- Changes to the definitions of retail development (previously done on floorspace and now divided into the type of retail use);
- Removal of a separate affordable retail space category;
- Amended and simplified descriptions for health and education uses; and
- The CIL Rate for all other uses reduced from £50 to £30 in all Zones.

DS would like to take the opportunity to add to the points that have been made to date on the Draft Charging Schedule the majority of which are still applicable. The Council will be aware from the representations that were submitted at preliminary consultation stage that it has instructed the services of DS2 to undertake a technical review of the BNP Paribas Viability Review. These

Further viability testing has been carried out since the last consultation stage. The Council is now proposing the changes set out below and explained further .

- Residential zone 1: maintain the £400 per square metre charge but move the eastern boundary to include Shad Thames.
- Residential zone 2: delete this zone by splitting it between zone 1 and the zone which includes Canada Water, Bermondsey and Elephant and Castle.
- Residential zone 3: change to 'zone 2' and reduce the charge from £250 per square metre to £200 per square metre.
- Residential zone 4: change to 'zone 3' and maintain the charge at £50 per square metre.
- Student housing: Reduce the charge from £250 per square metre to £100 per square metre in the case of direct-let rent schemes and £0 for nomination rent schemes
- Retail: maintain the differential rates of £250 per square metre and £125 per square metre but

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Broadly speaking, DS consider that the proposed CIL rates pose a serious risk to the viability and deliverability of development within the Borough.

We set out below a summary of DS's key comments.

1.Relationship with National Planning Policy Framework

The National Planning Policy Framework ('NPPF') provides important steers in the formulation of CIL charging schedules with the intent that CIL should support and incentivise new development. The NPPF explains that development identified in Local Plans should not be subject to a scale of obligations and policy burdens that their ability to be developed viably is threatened.

DS consider the NPPF has not been adequately considered by the Council and that the proposed Draft Charging Schedule remains a significant additional cost burden on development which runs the risk of actively discouraging development within the Borough.

exclude town centre car parks

Overall it is considered that the proposed CIL rates represent an appropriate balance between generating funding to secure provision of infrastructure and ensuring that CIL does not put development and regeneration in the borough at risk.

We have been mindful that the benefit of generating funding for infrastructure needs to be balanced against the imperative of continuing the supply of new homes and creating affordable housing, which are key objectives of the Core Strategy. The reduction in the residential rate for Zone 2 is recommended as a result of the fact that the expectation about the amount of section 106 planning obligations which will be negotiated has been increased (we previously estimated £1000 per home and have raised that to £1,500 per home) and the need to comply with new government guidance which stresses that CIL should not stretch economic viability to the limit.

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907 331 2.Compliance with Statutory Guidance:

Charging Authorities are legally required under Section 221 of the Planning Act to have regard to the CLG statutory guidance document – 'Community Infrastructure Levy: Guidance' (December 2012) – when setting their proposed CIL rates. The Guidance provides detailed guidelines in relation to the CIL setting process and contains requirements for Councils and Examiners in establishing whether CIL rates are appropriate.

The Guidance was published post publication of the Council's Preliminary Draft Charging Schedule and it is unlikely that the Council has yet had the opportunity to consider the implications of the Guidance or at least there is no evidence to suggest that it has. As a result the Council's evidence base may need to be updated and further consulted upon to reflect these changes.

We have set out in the CIL background paper how we have addressed the CIL statutory guidance in the rate setting process.

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907 332 3.Relationship with the Development Plan

The CLG CIL Guidance (April 2013) identifies at paragraph 27 that, 'a charging authority should

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In applying the CIL setting tests contained within both Regulations and Guidance, an understanding of the nature of development proposed across the Charging Authority's area is vital. This must be derived from the relevant up-to-date Development Plan (including all Development Plan documents).

The Charging Authority's CIL evidence needs to be able to conclude that the proposed rates will be viable for the sufficient number and type of developments upon which the Development Plan relies over the course of the Plan period.

It is unclear, firstly, how the Development Plan in this case (the London Plan, Southwark Core Strategy, and various Area Action Plans) has informed the proposed CIL rates and, secondly, how the proposed rates will impact on the deliverability of the Development Plan (including both Borough-wide and area specific policy targets as well as the Council's housing pipeline). This needs further consideration and justification.

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sample directly an appropriate range of types of sites across its area in order to supplement existing data'. Further, the Guidance sets out that 'the focus should be in particular on strategic sites on which the relevant Plan relies and those sites (such as brownfield sites) where the impact of the levy on economic viability is likely to be most significant.'

This study has taken a locally specific approach appraising 52 sample developments identified by the Council based on actual schemes. These are considered by the Council and BNP Paribas Real Estate to reflect the range of sales/capital values and also sizes/types of developments and densities of development from a range of existing uses that have and will come forward across the borough.

As recommended by the guidance, a large number of the sample sites tested relate to the development of strategic areas for growth upon which the Core Strategy relies. Figure 3.17.2 of the CIL Viability Study identifies the location of the opportunity areas/action areas in the borough and the sample development sites for testing.

We note that over 75% of the council's 5 year supply of homes already has planning permission. The council is reliant on the delivery of numerous sites to meet its London Plan housing targets: there are only two sites which account for more than 5% of the council's 10 year housing target, being the Heygate estate redevelopment (which has planning permission) and the Aylesbury estate redevelopment (the first two sites of which have permission).

907   333   4.Viability Approach/Methodology

CIL is a form of tax and, once rates have taken effect within a particular area, it cannot be negotiated to suit particular circumstances. Therefore, coupled with the current economic climate, it is critical that Charging Authorities approach CIL setting with a great deal of caution and ensure rates are based on evidence that reflects the normal circumstances under which development viability is assessed and land is released.

It is essential that CIL rates are based on evidence that considers current market conditions. This is in-keeping with the NPPF, in linking 'willing sellers' of land, 'competitive returns' (paragraph 173), willing buyers and other relevant guidance. Market testing and understanding how developers/landowners bring development land forward is clearly integral to this. Indeed, the LHDG document 'Viability Testing Local Plans' (2012) and the RICS's 'Financial Viability in Planning' both talk about the importance of market testing and market 'sense-checking'.

It is recognised that there is no one set way of assessing development viability and the extent to which market value is taken into account varies across different approaches taken. The market value of land is clearly a central concern for developers when considering whether or not to release land for development. DS consider that understanding market value, and the effect on the market value of land resulting from CIL charges, is vitally important in ensuring CIL rates reflect normal circumstances and the considerations associated with bringing Development Plan sites forward.

The Council's Viability Study demonstrates an inconsistent approach in terms of what price it assumes land-owners will bring land forward at. The Study mainly assumes that this will be at the equivalent of current use value plus a percentage premium, but there is no justification for the percentages assumed and very little justification for the adopted current use values (which appear low). Furthermore, there is no market testing or 'sense checking' between the values that have been assumed and land values evident from the market (which could be, and should have been, sourced from; land agents, various data sources and the Land Registry).

It is accepted that over time CIL rates ought to depress land values to a reasonable degree, however DS are concerned that the Council cannot know what relative effect their CIL rates will or might have in the absence of market testing.

In-keeping with the NPPF, DS propose the need for further CIL viability studies which involve market testing. This needs to be undertaken before it can be appreciated what effects the proposed CIL rates may have on the market and delivery of development. This is even more

The document 'Viability Testing Local Plans: Advice for planning practitioners', was launched by Sir John Harman the Chair of the Housing Delivery Group on 22 June 2012. The approach in this document is recommended for use by local authorities and their consultants to plan wide viability and the community infrastructure levy. The approach taken in the RICS guidance to plan making viability and CIL is not recommended by the advice given in 'Viability Testing in Local plans' document (pg 29). The Harman report states: "Consideration of the appropriate Threshold land value needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectation. Therefore using a market value approach as a starting point carries a risk of building –in assumptions of current policy costs rather than helping to inform the potential for future policy." It then goes on to state that market value can act as a useful sense check. With regard to the CIL Viability Study, we confirm that some of the benchmarks used in the viability study were market values.

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important for geographical areas nearby charging zone boundaries where there are concerns about the impact of higher levy on areas of less value because they are on the margins of that zone.

We have attached further comments from DS2 following their review of Draft Charging Schedule.

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907 334 5.Residual Section 106 and Section 278 assumptions

The BNPP Viability Study, which underpins the Council's Draft Charging Schedule, includes a number of standard assumptions in relation to development costs. A central aspect of Government's introduction of CIL is that there will be a reduction of Section 106 costs. This will be dependent on particular site circumstances. However, if a Charging Authority assumes a standard rate across its area then this should be approached with caution and needs to be justified.

DS is concerned that the Council has assumed standard Borough-wide rates for Section 106 (and Section 278) based on no analysis or justification. This is inappropriate for such a fundamental development cost and given its relationship with CIL rates. Justification needs to be provided on why a Borough-wide standard rate is provided as opposed to a differential rate according to location. For example sites at the very North of the Borough with River views will have much higher sales values than those sites which do not.

Since the last consultation stages, the section 106 costs inputted into the viability appraisals have been increased from £1,000 per home to £1,500 per home as a result of further analysis. Further justification is explained in the CIL background paper.

Further details of the assumptions used in the viability appraisals are provided for each development in the schedule in Appendix 2 of the CIL Viability Study.

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907 335 6.Phasing of Payments

The appraisals run by BNPP do not take into account the payment structure for the Mayoral CIL as set out in the Draft SPG: 'Use of planning obligations in the funding of Crossrail and the Mayoral Community Infrastructure Levy' (November 2012) which now proposes phasing of payments.

The CIL Viability Study recognises the requirement for developments to pay Mayoral CIL and commercial developments to pay Mayoral S106 contributions towards Crossrail in the Bankside Borough and London Bridge Opportunity Area. The appraisals include Mayoral CIL as a cost to development.

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907 336 7.Consideration of recent Section 106 Agreements and Affordable Housing delivery

The Council has not provided any evidence that considers proposed CIL rates against amounts raised in recent years through Section 106 Agreements and the extent to which affordable housing and other policy targets (e.g. housing supply) have been met. This is a specific requirement of CLG's 'Community Infrastructure Levy: Guidance' (December 2012). On representations made to date reference has been made to suggest that the CIL rates proposed by the Council are substantially in excess of amounts raised in recent Section 106 Agreements and that generally affordable housing policy targets have not been achieved. Having reviewed all of the strategic schemes that went to Committee over the past year it can be noted that in the majority of cases

We have set out further detail in the CIL background paper.

the level of affordable housing provision that may be delivered by each scheme varies. Indeed some schemes provide for 35% affordable housing but, a large proportion do not achieve the 35% target as a result of viability.

The Council therefore needs to justify how increased development costs can be achieved alongside policy compliant development, especially in respect of affordable housing.

In summary, DS consider that the Council needs to provide further information and evidence in relation to the above points.

DS wishes to reserve the right to be heard by the CIL Examiner at the forthcoming Examination

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909 300 We wrote to the London Borough of Southwark ('LBS') on 16 October 2012 stating our concerns in relation to the publication of the Draft Charging Schedule underpinned by a BNP Paribas ('BNPP') Viability Report.

We note that these representations, amongst others, are contained within Appendix F of LBS's Cabinet Report dated 12 February 2013 in relation to the introduction of the Community Infrastructure Levy. Sellar made three key representations as part of the first round process which are contained as references 178 and 179 of the Appendix. These related to:

- That the proposed CIL rates in many areas within the borough are significantly higher than current S106 liabilities despite comments by BNPP to the contrary;
- Proposal for transitional arrangements for the introduction of CIL payments in order to continue to promote development, and in turn provide subsequent economic benefits, particularly on sites that have been acquired prior to the publication of the CIL Regulations in 2010;
- Concerns regarding the relationship between Existing Use Value and the residual value of proposed development sites, given the imposition of CIL alongside residual S106 requirements and affordable housing obligations, with particular reference to paragraph 173 of the NPPF and the need to encourage an appropriate return for landowners and developers.

In relation to the first and second points, the Officer Response to Representation states 'noted'.

We assume this to mean that the Council are considering this further given the implications for the delivery of new development should some sort of transitional arrangement or phased payment structure not be considered.

The CIL Regulations do not allow for a phased introduction of CIL. In setting charges, authorities should take into account impact on viability at the time of introduction. The council cannot subsequently raise rates without further consultation and an examination in public. However the council will monitor and review the impact of CIL on an annual basis and will propose a review of the rates if necessary.

Further information on residual s106 assumptions are set out in the CIL Background Paper. The council considers that the assumptions made in carrying out the appraisals are appropriate.

The council does not agree that its definition of viability is arbitrary. Further information on the methodology for carrying out the appraisals is set out in the background paper. Specifically, the methodology is consistent with guidance published by the Harman group June 2012, "Viability Testing Local Plans".

The majority of the council's supply of homes is expected to be provided in the north of the borough. Accordingly the majority of developments appraised have been in the north of the borough.

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The implications for larger sites such as Canada Water in relation to the level at which rates are set are significant given the likely level of residual S106 on-site mitigation measures required alongside both LBS and Mayoral CIL.

The Third point related to the relationship between a sites Current or Existing Use Value when assessed against the residual value of the proposals.

The BNPP approach takes an arbitrary view on land value and does not appear to be aligned with the NPPF and its intention to ensure that landowners can be appropriately compensated and thus ensure that sites are brought forward. The Viability Review promotes 'viability' on the basis of land values that would not see sites released.

As such, this view on viability is 'artificial' and there is no exploration of market evidence as required by the NPPF and also covered in best practice guidance on viability matters. In forming recommendations, a market based view should be considered in regard to the commercial parameters that landowners, developers and their funders are constrained by. Land value is a key component of this and one that the study does not examine in any detail.

In relation to the LBS Cabinet Report comments, we note the following:

- The current CIL rate for Canada Water which is a strategically important site, as an example, could not be afforded at the present day with the residual S106 costs, 35% affordable housing and Mayoral CIL payments. The BNPP financial model that reflects Sites C and E does not accurately portray the costs of acquiring the site, the true development costs nor the costs of coming to a contractual agreement with the sites long leaseholder, all of which are required if development is to proceed (subject to planning).

Not enough examination has been done on these strategic sites;

- An additional 5% development cost is akin to doubling the finance cost as an example. The LBS comments undervalue the impact of this additional non-negotiable development cost;

- Higher risk strategic development should not be treated in the same way as 'standard' development;

- It is our opinion that the land market has not absorbed the proposed CIL rates as the LBS comments suggest particularly on strategic sites where land assembly will take place over a period of years. The development industry have been working through ways in recent years in which to make development viable in the current economic climate and CIL in its current consultation phase has not been fully factored in. Our previous comments regarding Existing and Current Use values and retaining the ability to incentivise landowners are repeated here;

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The council considers that the sites sampled represent a representative number of developments. Southwark's housing supply does not rely on the development of a handful of strategic sites, but rather in a multiplicity of sites. A large proportion of supply is generated in the Elephant and Castle opportunity area. The council, together with the GLA undertook a development infrastructure funding study to examine the maximum s106/CIL rate which sites in the opportunity area could afford. In preparing the Canada Water AAP, the council has also assessed the impact of policies, including CIL, on developments in that area.

The market will not yet have absorbed CIL rates as they have not yet been introduced. The council accepts that there will be a period of transition over which the market will absorb CIL rates, principally because some sites will have been purchased on terms that do not take CIL into account.



- We are unaware of the exact details of the three schemes referred to in the Elephant & Castle Opportunity area but would be interested to understand further the nature of the original land owner and the details relating to the affordable housing deals signed. We hope that you find these comments helpful.

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973 319 On behalf of our client, Linden Homes South East Limited (Linden Homes), we write to provide comments on Southwark's Preliminary Draft CIL Charging Schedule (PDCS), which has been issued for further public consultation until 3 April 2013.

As the Mayor of London has published his instalments policy for CIL the Council will rely on that to start with and review the impacts of it in the first 2 years.

#### Instalments Policy

The 2011 CIL Regulations require payments to be made on commencement of development. However, Regulation 69B provides for the ability to allow CIL payments in instalments. Given the current economic context, it is considered onerous for charging authorities to require full payment on commencement of development, where the Regulations offer scope to provide flexibility on when payments are required. Since the viability of projects is consistently being challenged through the demands of development mitigation and so on, the cash flow of projects takes on greater importance. This is even more significant presently with the banking sector reticent to provide development finance on projects that it deems to be 'risky', which may include cash flow considerations.

The Regulations state that if a charging authority wishes to set its own levy payment deadlines and/or offer the option of paying instalments, it must publish an instalments policy. Currently the PDCS does not include such a policy. Linden Homes is of the view that a policy should be included in the PCDS that allows CIL to be paid in phased payments, which would assist in cash flow for bringing developments forward. Such a policy provision should be included, particularly for major residential developments that will deliver dwellings over a longer period of time, such projects that may be developed over more than a year, may not be able to afford full up-front payment of CIL, especially coupled with the requirement to provide affordable housing.

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973 320 Calculation of Chargeable Floorspace

The PCDS states that CIL will be applied to the chargeable floorspace of all new development apart from areas that are exempt, such as affordable housing or charity institutions. Linden Homes considers that further clarification should be provided in the PCDS on how chargeable floorspace is calculated, i.e. which areas are included in the calculation of chargeable floorspace. For example, in the calculation of chargeable residential floorspace, is associated residential car parking in a basement or undercroft calculated at the same rate? It would seem onerous that car parking areas are charged at the same rate as usable residential floorspace. When projects have

The CIL Regulations state what can be deemed Chargeable Floor space. It is not the role of the Charging Schedule to re-define it.

challenging viability, the result will be counter-productive in that the percentage of affordable housing that can be provided will decrease.

It would be helpful if the Council would release a statement on how it intends to respond to the issues above, in advance of the Examination in Public.

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974 322 We act for Barratt Homes Limited (BH), who have an interest in a number of development sites within the London Borough of Southwark and write in relation to the consultation on the Council's Draft Charging Schedule for the proposed Community Infrastructure Levy ('CIL').

Although BH didn't take the opportunity to comment on the first round of public consultation they have reviewed the submission of representations made by developers and landowners in October last year in respect of the Preliminary Draft Charging Schedule which raised a number of significant concerns related to the approach and evidence underpinning the Council's proposed CIL rates. It is noted that only very minor changes have been made in relation to those representations made which include:

- A reduction in the CIL rate for Office development in Zone 1;
- Changes to the definitions of retail development (previously done on floorspace and now divided into the type of retail use);
- Removal of a separate affordable retail space category;
- Amended and simplified descriptions for health and education uses; and
- The CIL Rate for all other uses reduced from £50 to £30 in all Zones.

BH would like to take the opportunity to add to the points that have been made to date on the Draft Charging Schedule the majority of which are still applicable. BH have instructed the services of DS2 to undertake a technical review of the BNP Paribas Viability Review and their comments are appended to this letter.

Overall, BH consider that the proposed CIL rates pose a serious risk to the viability and deliverability of development within the Borough. BH has extensive experience of market conditions and viability within Southwark, and wishes to achieve future viable planning consents and deliver new homes, jobs and infrastructure.

We set out below a summary of BH's key comments.

1.  Relationship with National Planning Policy Framework

Further viability testing has been carried out since the last consultation stage. The Council is now proposing the changes set out below and explained further .

- Residential zone 1: maintain the £400 per square metre charge but move the eastern boundary to include Shad Thames.
- Residential zone 2: delete this zone by splitting it between zone 1 and the zone which includes Canada Water, Bermondsey and Elephant and Castle.
- Residential zone 3: change to 'zone 2' and reduce the charge from £250 per square metre to £200 per square metre.
- Residential zone 4: change to 'zone 3' and maintain the charge at £50 per square metre.
- Student housing: Reduce the charge from £250 per square metre to £100 per square metre in the case of direct-let rent schemes and £0 for nomination rent schemes
- Retail: maintain the differential rates of £250 per square metre and £125 per square metre but exclude town centre car parks

Overall it is considered that the proposed CIL rates represent an appropriate balance between generating funding to secure provision of infrastructure and ensuring that CIL does not put development and regeneration in the borough at risk.

We have been mindful that the benefit of

| Obj-<br>ector<br>Ref | Rep.<br>Ref | Details of Representation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Officer Response to Representation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      |             | <p>The National Planning Policy Framework ('NPPF') provides important steers in the formulation of CIL charging schedules with the intent that CIL should support and incentivise new development. The NPPF explains that development identified in Local Plans should not be subject to a scale of obligations and policy burdens that their ability to be developed viably is threatened.</p> <p>BH consider the NPPF has not been adequately considered by the Council and that the proposed Draft Charging Schedule remains a significant additional cost burden on development which runs the risk of actively discouraging development within the Borough.</p>                                                                                                                                                               | <p>generating funding for infrastructure needs to be balanced against the imperative of continuing the supply of new homes and creating affordable housing, which are key objectives of the Core Strategy. The reduction in the residential rate for Zone 2 is recommended as a result of the fact that the expectation about the amount of section 106 planning obligations which will be negotiated has been increased (we previously estimated £1000 per home and have raised that to £1,500 per home) and the need to comply with new government guidance which stresses that CIL should not stretch economic viability to the limit.</p> |
| 974                  | 323         | <p>2. Compliance with Statutory Guidance:</p> <p>Charging Authorities are legally required under Section 221 of the Planning Act to have regard to the CLG statutory guidance document – 'Community Infrastructure Levy: Guidance' (December 2012) – when setting their proposed CIL rates. The Guidance provides detailed guidelines in relation to the CIL setting process and contains requirements for Councils and Examiners in establishing whether CIL rates are appropriate.</p> <p>The Guidance was published post publication of the Council's Preliminary Draft Charging Schedule and it is unlikely that the Council has yet had the opportunity to consider the implications of the Guidance. As a result the Council's evidence base may need to be updated and further consulted upon to reflect these changes.</p> | <p>We have set out in the CIL background paper how we have addressed the CIL statutory guidance in the rate setting process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 974                  | 324         | <p>3. Relationship with the Development Plan</p> <p>In applying the CIL setting tests contained within both Regulations and Guidance, an understanding of the nature of development proposed across the Charging Authority's area is vital. This must be derived from the relevant up-to-date Development Plan (including all Development Plan documents).</p> <p>The Charging Authority's CIL evidence needs to be able to conclude that the proposed rates will be viable for the sufficient number and type of developments upon which the Development Plan relies over the course of the Plan period.</p> <p>It is unclear, firstly, how the Development Plan in this case (the London Plan, Southwark Core</p>                                                                                                                | <p>The CLG CIL Guidance (April 2013) identifies at paragraph 27 that, 'a charging authority should sample directly an appropriate range of types of sites across its area in order to supplement existing data'. Further, the Guidance sets out that 'the focus should be in particular on strategic sites on which the relevant Plan relies and those sites (such as brownfield sites) where the impact of the levy on economic viability is likely to be most significant.'</p> <p>This study has taken a locally specific approach</p>                                                                                                     |

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Strategy, and various Area Action Plans) has informed the proposed CIL rates and, secondly, how the proposed rates will impact on the deliverability of the Development Plan (including both Borough-wide and area specific policy targets as well as the Council's housing pipeline). This needs further consideration and justification.

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We note that over 75% of the council's 5 year supply of homes already has planning permission. The council is reliant on the delivery of numerous sites to meet its London Plan housing targets: there are only two sites which account for more than 5% of the council's 10 year housing target, being the Heygate estate redevelopment (which has planning permission) and the Aylesbury estate redevelopment (the first two sites of which have permission).

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CIL is a form of tax and, once rates have taken effect within a particular area, it cannot be negotiated to suit particular circumstances. Therefore, coupled with the current economic climate, it is critical that Charging Authorities approach CIL setting with a great deal of caution and ensure rates are based on evidence that reflects the normal circumstances under which development viability is assessed and land is released.

It is essential that CIL rates are based on evidence that considers current market conditions. This is in-keeping with the NPPF, in linking 'willing sellers' of land, 'competitive returns' (paragraph

The existing use value for each site tested in the CIL Viability Study is determined by the existing use/building on the site, based on local market rents and yields or land values for the relevant property type. These values are therefore based on local market information.

A premium has been applied to each existing use value within a range of 10% - 25% based on the perceived investment value of the property, which

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173), willing buyers and other relevant guidance. Market testing and understanding how developers/landowners bring development land forward is clearly integral to this. Indeed, the LHDG document 'Viability Testing Local Plans' (2012) and the RICS's 'Financial Viability in Planning' both talk about the importance of market testing and market 'sense-checking'.

It is recognised that there is no one set way of assessing development viability and the extent to which market value is taken into account varies across different approaches taken. The market value of land is clearly a central concern for developers when considering whether or not to release land for development. BH consider that understanding market value, and the effect on the market value of land resulting from CIL charges, is vitally important in ensuring CIL rates reflect normal circumstances and the considerations associated with bringing Development Plan sites forward.

The Council's Viability Study demonstrates an inconsistent approach in terms of what price it assumes land-owners will bring land forward at. The Study mainly assumes that this will be at the equivalent of current use value plus a percentage premium, but there is no justification for the percentages assumed and very little justification for the adopted current use values (which appear low). Furthermore, there is no market testing or 'sense checking' between the values that have been assumed and land values evident from the market (which could be, and should have been, sourced from; land agents, various data sources and the Land Registry).

It is accepted that over time CIL rates ought to depress land values to a reasonable degree, however BH are concerned that the Council cannot know what relative effect their CIL rates will or might have in the absence of market testing.

In-keeping with the NPPF, BH propose the need for further CIL viability studies which involve market testing. This needs to be undertaken before it can be appreciated what effects the proposed CIL rates may have on the market and delivery of development.

We have attached further comments from DS2 following their review of Draft Charging Schedule.

relates to the current condition of the premises and the occupancy and likely demand for the property in question. A standard premium has not been used because the study includes actual development sites, unlike other viability studies which have tested notional sites.

For some sites, information on benchmark land value was provided by the Council, based on previous valuations undertaken for the Council as to the value of the site for disposal purposes. Details of the benchmark land values, and our assumptions in arriving at each value, are provided for each development in the schedule in Appendix 3 of the CIL Viability Study.

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974 326 5.Residual Section 106 and Section 278 assumptions

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Since the last consultation stages, the section 106 costs inputted into the viability appraisals have been increased from £1,000 per home to £1,500 per home as a result of further analysis. Further justification is explained in the CIL background paper.

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We have set out further detail in the CIL background paper.

The Council therefore needs to justify how increased development costs can be achieved alongside policy compliant development, especially in respect of affordable housing.

In summary, BH consider that the Council needs to provide further information and evidence in relation to the above points.

BH wish to reserve the right to be heard by the CIL Examiner at the forthcoming Examination.

- 974 329 This submission comprises representations being made by Barratt Homes Limited (“BH”) in respect of the London Borough of Southwark’s (“LBS”) Community Infrastructure Levy (“CIL”) Draft CIL Charging Schedule (“DCS”) which was reported to Cabinet on 12th February 2013.
- We have reviewed the BNPP Viability Review that underpins the DCS. We note at paragraph 27 that Officers are recommending to make no changes to the charges for residential floorspace which were previously proposed in the preliminary draft charging schedule. In making our comments below, we have also reviewed the various Officer comments included in Appendix F to the Cabinet Report in response to the first round of representations.
- Despite current continuing economic uncertainty the BNPP Viability Review presents analysis with capital value included on an upwards only basis in the sensitivity analysis whereas costs can move both upwards and downwards which should be reflected within the Review;
  - BH’s current experience is that providing the full headline affordable housing policy requirement in the current economic climate is challenging. The BNPP Viability Review allows for the headline affordable housing percentage, residual S106 liabilities, Mayoral and LBS CIL as well as a ‘buffer’ which allows for site specific abnormal costs;
  - The approach discounts ‘unviable sites’ that may be at the margins of commercial delivery in that the proposed CIL rates are unlikely to be a determining factor on whether or not a scheme is viable. We would question the robustness of setting the CIL DCS without regard to these sites, particularly those that are capital intensive and of a strategic nature where there are very high net debt levels and cash receipts may not be incoming for many years. The current proposed CIL rates will significantly erode the prospects of their future deliverability. At the very least we would recommend that there needs to be further consideration to a phased collection of CIL liabilities to assist with cash flow and project viability;
  - The National Planning Policy Framework (NPPF) which introduces viability as a material consideration in the determination of planning applications is not referenced in the BNPP Viability Study. In particular, we are concerned that there is lack of reference to paragraph 173 that provides a reference to land delivery and the need to ‘provide competitive returns to a willing land owner and willing developer to enable the development to take place’;
  - The BNPP Viability Study uses a range of development scenarios in order to test the ability of

- A) It is important to note that the proposed charging levels are based on viability today and do not rely on uplift in sales values or changes to building costs.
- B) Unviable sites have not generally been taken into account as the majority of these are unviable with or without CIL. The council has undertaken some sensitivity testing to test what reductions may need to be made to affordable housing in order to make these sites viable. We are currently anticipating using the Mayoral CIL instalment policy. The CIL will be monitored annually and the council would have the opportunity to review whether amendments to the instalment policy was required.
- C) Further detail on the relationship between the proposed CIL charging rates and the NPPF are set out in the CIL background paper.
- D) The council considers the assumptions made about viability are reasonable. The methodology reflects the guidance in the Harman group’s June 2012 guidance on Viability Testing Local Plans. A period of adjustment, while the market absorbs the CIL is inevitable given that some sites will have been purchased on terms which do not take account of the proposed CIL. The definition of viability is similar to that used in preparing the Mayoral CIL and which was found to be sound by the examiner in January 2012. Other recent examples in which the 2012 guidance methodology has been used include LB Croydon found sound on examination in December 2012.

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sites to make CIL contributions alongside traditional obligations. The Study, in many cases, takes an unrealistic view on Site Value in order to present 'viable' scenarios. Paragraph 31 of the Cabinet report states 'Inevitably in the first year or two of operation, there may be some sites where the level of affordable housing are impacted, while the market absorbs the new charge'. This implies two things.

o Firstly, that where sites have already been purchased LBS will be willing, subject to viability, to accept lower affordable housing percentages than that might otherwise have been agreed in a pre-CIL environment;

o Secondly, the implication is that the land market will need to absorb CIL and that a correction will be forthcoming. This latter point is partially correct given the inflexibility of CIL as a fixed additional development cost. However, the relationship between Current and Existing Use Value and Market Value here is important, and given this perceived correction many sites will simply not come forward for development. The CIL rates are not intended to leave development at the fringes of commercial acceptability, however the proposed reduction in affordable housing noted implies that the buffers are not set at a sustainable level and the rates are too high. The proposed CIL rates can only be supported in many cases following a correction in the land market;

- We note that in setting Site Values for viability purposes the study makes reference to a range of Planning Inspectorate Decisions dated between 2008 and 2009. All these decisions predate the adoption of the NPPF and to a lesser extent the publication of the RICS Guidance Note on Viability matters and therefore may not be reflective of what is taking place in the market at present;

The BNPP Viability Review presents a blanket approach to risk and does not acknowledge the commercial and financial barriers that exist in bringing forward larger more strategic sites;

- The BNPP Viability Review includes residual S106 costs at £1,000 per dwelling which appear low particularly on large strategic sites where there are likely to be a range of onsite mitigation measures required. The intention is that CIL should not vastly exceed current S106 liabilities however our experience is that this is not the case and the proposed CIL liability is a fixed cost and equate to liabilities that are significantly higher. BH have undertaken a review of a site they have an interest in within the north of the Borough and the estimated CIL would be nearly double the calculable S.106 charge. The result is that should the proposed LBS CIL tariffs be applicable then the level of affordable housing delivered by this scheme would be unlikely to be policy compliant resulting in less affordable housing provided than would otherwise be the case. This could further prejudice the future delivery of affordable housing

E) Further detail regarding the assumptions which have been set out regarding the s106 and s278 are set out in the CIL background paper. In retesting the impacts of CIL on viability, we have increased the expectation of residual s106 obligations from £1000 per dwelling to £1,500 per dwelling, in line with typical s106 planning obligations negotiated in recent years.



in the Borough.

975 346 For Most Small to Medium Sized Developments the CIL is Totally Counterproductive

I am possibly the first (of what will be thousands of people) who has been forced to cancel plans for developments in Southwark because of the Southwark CIL. It makes smaller developments completely unviable.

For the last two years I had been working towards getting planning permission to build a 4 or 5 storey combined residential and commercial development in Elephant and Castle with a gross floor area of approximately 375 sq metres.

The projected construction costs were approx £500k and the projected profit approx £190k. The Southwark CIL will be approx £80k combined with the mayoral levy of approx £20K meaning a total tax bill of approx £100k. (The property is in Zone C @ £250 per sq m) This is equivalent to a marginal tax rate of 53% on the profit. It makes the development unviable.

This means that:

- £500k of investment has been lost to the local economy
- The local housing crisis has been compounded
- Southwark Council and the Mayorality have lost out on all the CIL they might have raised via this project had the tax charges been more reasonable- money which could have been invested in local infrastructure.
- there will be no smart new building enhancing the streetscape and the environment – instead a brown field site within 200 yards of the Strata Building is going to stay as such for an indefinite period
- The parlous state of the local construction sector will be compounded.
- Southwark's CIL has been perfectly counterproductive

When the Southwark CIL comes into force developments of say 2 to 20 units or more will become unviable. The punitive tax rates will discourage private individuals from investing in schemes because the returns do not justify the risk – especially when social housing requirements remain in force at 10 units. There will be a steady rise in the number of small to medium sized 'bomb-holes' and dilapidated buildings which will punctuate and diminish Southwark's streets between the smarter and larger developments.

Having the Determination Date as the Trigger Date when the CIL is Introduced is Unfair  
I am aware the Southwark Levy is not coming into force until the Autumn but the approval of my planning application depended on the timely co-operation of Network Rail and the trigger for the Southwark SCIL is the determination date – not the submission date or the validation date of the

The Mayoral CIL is £35 per sqm (amount to £13,125 on a scheme of 375sqm). Southwark has reduced its residential CIL from £250 per sqm to £200 per sqm, which would bring the cost of Southwark CIL down to £75,000 on a scheme of 375sqm or less, if the scheme includes retail space. If there are existing buildings on the site which have been in use, there would be opportunities to reduce the CIL cost further.

The council has tested impacts of CIL on a range of projects around the borough, including several at Elephant and Castle. The findings of the appraisals suggested that a CIL of £200 per sqm is affordable for most viable developments. The council is making a nil charge on office development at Elephant and Castle and a retail charge of £125psqm.

With regard to payment of CIL, it is envisaged that CIL would be paid in instalments, in line with the Mayor of London's instalments policy.

planning application. This is very unfair because if application gets bogged down in Southwark Planning Department or at Network Rail , I incur an £80k tax bill. The trigger should be the Validation Date.

This is the second factor which made the risk of proceeding too great.

If I was to obtain planning permission but miss the trigger date and thereby incur the £80k CIL, the value of my land would not have increased. No-one would want to buy the plot with planning permission and the combined CIL liability of £100k. So I would end up effectively losing the £25k invested in the making the planning application.

The CIL Denies the Right to Sink Foundations if One Doesn't Want to Build Immediately  
Planning permission normally lasts for 3 years. Sometimes developers wish to delay construction and so lay foundations or start a small part of the works to make the planning permission permanent. Under CIL, if you commence construction you become liable to pay the entire levy. The only option is to incur further costs by extending or reapplying for planning permission.

I did not want to face the stress and cost of applying now, and then having to pay the tax in full to sink a foundation or reapply again in three year time.

#### Conclusion

For several years I have worked with National Government and am used to inefficiencies and contradictions that one encounters but this case takes the biscuit. The Southwark CIL is designed to improve the local infrastructure, environment and economy. In my case and many, many others like it, the CIL is already achieving the exact opposite – it is entirely counterproductive. Even if you do take on board my comments, these ridiculous levy plans have cost me the £35k in time and effort I have invested so far in negotiations with Network Rail. Before you accuse me of being ill-informed, I would advise that I put a pre-app in in February 2012 but no-one contacted me subsequently to inform me about the levy.  
My development opportunity has been lost for good – thanks a bunch.

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977 374 Daniel Watney's Planning Department has been instructed by its client, The Dulwich Estate, to make representations on Southwark's emerging CIL draft charging schedule (DCS) and its impact on the performance and value of the Estate's assets and its ability to perform its charitable function which will impact on the viability of its beneficiaries, the majority of whom operate in Southwark.

Noted.

This letter sets out the principal concerns that The Dulwich Estate has regarding the DCS and is

intended to provide the basis for our meeting at 10 a.m. on 11 April 2013. It is important to state in advance that the Estate is supportive of the Local Planning Authority adopting a CIL Charging Schedule in order to secure financial contributions to help fund social and community infrastructure improvements going forwards.

#### The Function of The Dulwich Estate

The Dulwich Estate is one of the most significant individual land owners within the London Borough of Southwark, with a property portfolio (covering some 1,500 acres) which includes residential dwellings, business accommodation and retail and leisure floorspace, providing community and social facilities and recreation space (such as Belair Park and the Herne Hill Velodrome).

The Dulwich Estate is a registered charity (no. 312751) whose charitable objective is defined as follows: "To manage the endowment of assets of the Charity in the long term interests of all the beneficiaries of the Charity. This is measured by the increase in the annual income distribution to the beneficiaries and the maintenance of the value of net assets."

The Estate's Board of Trustees measure its success as a charity by seeking to increase, in real terms allowing for inflation, the annual income distribution to the Beneficiaries and maintaining the value of the Charity's assets. The Estate's objectives when carrying out development is either to improve the rental income of an asset or to generate additional capital for investment.

The Estate distributes its net income to its Beneficiaries on an annual basis, as demonstrated by Figure 1 below. In 2012 the Estate gave a record £5.94 million to its beneficiaries. An additional £10 million was distributed to its school beneficiaries from capital funds in addition to the net income distribution for that year

Insert figure 1

#### The Dulwich Estate Beneficiaries and Public Benefit

The Dulwich Estate's Beneficiaries provide important "social and community" functions to residents in Southwark. The Charity Commission requires all charities to report on public benefit and the Estate's Board is satisfied that the work of the Charity continues to meet the aims of its Founder (Edward Alleyn – in 1619), accords with its stated objects and provides, through its funding to the Beneficiaries (listed below), tangible public benefit to the community at large in the form of: Education (originally to twelve poor scholars) – Alleyn's School, Dulwich College, James

Allen's Girls' School, St Olave's & St Saviour's Schools Foundation and The Central Foundation Schools of London; Relief to those in need (originally to six poor brothers and six poor sisters) – The Dulwich Almshouse Charity; A place in Dulwich for worship and other community activities – Christ's Chapel of God's Gift at Dulwich Charity (consecrated in 1616). Each Beneficiary is required on an annual basis to advise the Estate Trustees how the income (and any capital) distribution has been applied in assisting their work and the benefit to the public derived from this.

#### Beneficiary Income Distribution

Table 1 below indicates the income contribution from the Estate to each of its Beneficiaries and their charitable expenditure as a percentage of total income (please note that income from the Estate has been provided for 2011/2012. Expenditure is based upon the Beneficiaries' most up to date annual accounts, however it is considered to be broadly indicative of the level of expenditure over the last two – three years).

Insert table

#### Table 1: Income and Charitable Expenditure of Beneficiaries

N.B Dulwich College, James Allen's Girls' School and Alleyn's School are independent schools. The Central Foundation Schools of London and St Olave's and St Saviour's Schools Foundation support schools which are under the control of the Local Authority including St Saviour's & St Olave's School in SE1. In addition The Dulwich Almshouse Charity specifically serves Southwark residents.

This table demonstrates that funds from the Estate provide a significant proportion (in some cases in excess of 50%) of the Beneficiaries' income which funds charitable expenditure – money spent in Southwark. Each Beneficiary is a registered charity in its own right and their annual reports confirm that the work of each charity accords with their stated objects and provide a tangible benefit to a wide section of those who reside within the Charity's areas of benefit. Public benefit activities of each Beneficiary include those detailed below. Please note that this list is not exhaustive but demonstrates the scope of the public benefit which the Estate supports via its distributions of both income and capital.

#### Dulwich College ("The College")

The College grants bursaries to provide financial support to parents whose sons have been awarded a place at the College but who cannot afford full tuition fees. During the year (2008-09), 438 bursaries and scholarships were provided amongst 380 pupils. The College works closely with two Southwark initiatives, the Southwark Schools Learning Partnership ("SSLP") and the

Southwark Community Education Council ("SCEC"). The College's involvement in the SSLP includes workshops for teachers and students. It also support the scheme financially, contributing approximately £2,000 a year. The College provides SCEC with secretarial and management support for the project costing approximately £6,000 per annum. The College also lends its facilities to the Council. The College is the lead sponsor for the Isle of Sheppey Academy project, which involves them leading the development of the project to build an Academy on the Isle of Sheppey for around 2,300 students from Years 7 to 13. 200 boys in Year 10 and above are involved in Community Service work with a number of local organisations. They visit Primary Schools, Special Needs Schools and Elderly Homes to help out with the community.

James Allen's Girls' School ("JAGS")

Bursary awards are available to all in the Senior School who meet the entry requirements and are made solely on the basis of parental means. 110 means-tested bursaries were awarded in 2010/2011 with 51 benefiting from full remission of fees. The Headmistress was co-founder of the Southwark Schools Learning Partnership, established in 2003. Good Neighbours' policy, designed to awaken the pupils' sense of social awareness and educate them in active citizenship. Pupils of all ages and staff at JAGS have developed a wide range of partnerships with local schools and the wider community. Saturday Literacy Scheme - in conjunction with SCEC, Volunteers from Years 10-12 at JAGS give up their Saturday mornings to help mentor children with learning difficulties from local primary schools.

Alleyn's School

Aims to achieve 'educational excellence through inclusion' by offering means-tested bursaries and scholarships. Some 25% of Senior School pupils receive assistance with fees through means-tested bursaries or scholarships. The school makes its facilities available to the local community, providing some 3,500 hours of public access to its facilities each year.

St Olave's & St Saviour's Schools Foundation

Foundation Fund makes grants to young people in Southwark up to the age of 25 and also to organisations in the Borough of Southwark, which involve young people and where there is need of financial assistance Provides financial support to St Saviour's & St Olave's School, Old Kent Road, Southwark

The Central Foundation Schools of London (local authority schools situated in the London Boroughs of Islington and Newham))

Object of the foundation is to advance the education of persons under the age of 25 who are, or have been, students at one of the two Central Foundation Schools through: (a) the provision of items, services and facilities for the schools; (b) furthering the education of persons under the age of 25 who are, or have been, students attending the schools by the award of prizes; and (c) giving grants, bursaries or other payments to persons under the age of 25 who are, or have been, students at one of the schools who are in financial need, to enable them to continue their education, or provide financial or other assistance to assist their entry into a profession. Grants totalling £402,000 were made in the year to enable the two schools to provide further support in various subject areas to improve overall academic performance.

#### Dulwich Almshouse Charity

The Charity maintains 16 Almshouse flats on College Road, Dulwich which continue in part to meet the needs of the residents by providing comfortable homes, the assistance of a Warden and a sense of community and security. Charity offers a home help service, as well as a wheelchair pushing service to its residents. Through the outreach scheme, the Charity provides visits and other assistance by the Warden to needy local residents and one-off financial grants, where appropriate. Provides grants to local charities including Dulwich Helpline.

#### Christ's Chapel of God's Gift at Dulwich Charity

Christ's Chapel in Dulwich Village is available to the general public as a place of worship and for other activities (such as concerts and coffee mornings for the Almshouse beneficiaries).

Through its Beneficiaries and as indicated above, the Estate demonstrably provides support to a wide range of social and community infrastructure by distributing its net income which is generated entirely from its investment assets, including its property portfolio.

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977 375 CIL Regulations and Exemptions

The Community Infrastructure Levy Regulations 2010 (as amended) identifies a number of scenarios in which there is an exemption from paying CIL. Section 43 describes the exemption for charities:  
43.—

(1) An owner (C) of a material interest in the relevant land is exempt from liability to pay CIL in

We have tested the viability impacts of CIL on developments in the Dulwich area and generally found that developments could viably meet the proposed CIL of £200 per square metre.

It should be noted that CIL would be applied on additional floorspace and therefore no CIL would be payable on a conversion of the Half Moon pub. This is provided that the building has been in use

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respect of a chargeable development if—  
(a) C is a charitable institution; and  
(b) the chargeable development will be used wholly or mainly for charitable purposes (whether of C or of C and other charitable institutions).

(2) But paragraph (1) does not apply where—  
(a) that part of the chargeable development to be used for charitable purposes will not be occupied by or under the control of a charitable institution;  
(b) the material interest is owned by C jointly with a person who is not a charitable institution; or  
(c) exemption of C from liability to pay CIL would constitute a State aid.  
(3) For the purposes of paragraph (1) use of a chargeable development for charitable purposes includes leaving it unoccupied.

Due to the nature of the Estate's property portfolio comprising almost entirely of investment assets, the Estate would not be able to claim exemption as a charity on chargeable development as not all of its assets are used wholly or mainly for charitable purposes and nor are they all occupied by or under the control of a charitable institution.

**Impact of Southwark's Draft Charging Schedule and viability of development**

We have reviewed Southwark's DCS and consider that this will have a significant impact on the Estate when considering the potential for enhancing its property assets through development.

The additional cost to the Charity of having to pay CIL will, in some cases, make development unviable. The Charity seeks to enhance its income from its property assets by way of improving its stock. However, the return on capital investment has to be carefully considered and the imposition of CIL will mean, in some cases, that the Charity will be unable to justify capital investment.

**Case Study – Half Moon Public House**

The Estate is currently considering the possibility of developing this Grade II\* listed, Public House, located at Herne Hill. This includes the conversion of the existing floorspace on the upper floors to provide high quality residential accommodation. As proposed by the DCS, new residential floorspace in this location (Zone 3) would be charged at £250 per square metre. A relatively modest conversion scheme for this property, which would deliver six new dwellings, would be liable to pay £145,000 in CIL, in addition to Mayoral CIL. Furthermore, this would be a scheme with marginal viability given the high build costs associated with preserving and enhancing a listed

for a period of 6 months in the three years prior to conversion or granting of permission to convert.

building.

Appended to these representations is an appraisal of the development scheme utilising the latest valuation dated 31 March 2012 for the property. The appraisal does not allow for Mayoral CIL or the DCS and currently shows an excess of £158,629. It is evident that the application of the DCS in addition to Mayoral CIL would make this proposal unviable, producing a negative return.

Unless a scheme will produce a positive return on capital, the Estate cannot entertain expending charitable funds. This is a clear example of how the DCS would reduce potential income and therefore restrict the ability of the charity to distribute to its Beneficiaries. In context, in 2011/2012 the Estate's annual payments to the Dulwich Almshouse Charity and Christ's Chapel of God's Gift at Dulwich Charity totalled £140,000, both of which directly provide a form of social and community infrastructure benefit to Southwark residents. It is evident that larger schemes would trigger a higher CIL liability and would cumulatively reduce the Estate's potential annual income and distribution to those Beneficiaries.

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977 376 CIL and Discretionary Charitable Relief

We consider that charging all future development undertaken by the Estate would be counterproductive to the objectives of CIL as there would be a net reduction in the amount the Estate would have available for its Beneficiaries who demonstrably support social and community infrastructure in Southwark.

Section 44 of The Community Infrastructure Levy Regulations 2010 allows Local Authorities to exempt certain developments from being liable to pay CIL if:

- a) discretionary charitable relief is available in the area in which the chargeable development will be situated;
- (b) C is a charitable institution; and;
- (c) the whole or the greater part of the chargeable development will be held by C or by C and other charitable institutions as an investment from which the profits will be applied for charitable purposes (whether of C or of C and other charitable institutions).

In the context of Section 44 of the regulations we request that Southwark is identified as an area within which charitable relief is available and that within this area The Dulwich Estate is afforded Discretionary Relief on all developments which are intended to enhance its assets in order to provide funds for the Estate (and therefore, ultimately, for distribution to its Beneficiaries).

We are not proposing to offer discretionary charitable relief. We have tested the viability impacts of CIL on developments in the Dulwich area and generally found that developments could viably meet the proposed CIL of £200 per square metre.



Notification of Discretionary Charitable Relief: Investment

In light of the above, the Estate requests that in conjunction with the eventual Examination of the CIL DCS, the charging authority issue a policy statement which gives notice that discretionary charitable relief is available in Southwark as per Section 46 of The Community Infrastructure Levy Regulations 2010 for all development initiated by The Dulwich Estate. The Estate is supportive of the introduction of CIL within Southwark and recognises the value of the levy in protecting and enhancing the Borough's social and community infrastructure. Further to our previous correspondence Barbara Ann Overwater, we look forward to discussing these issues in more detail when we meet to discuss the possibility that the final Southwark Charging Schedule includes a mechanism whereby relief from CIL can be granted to developments where the capital receipt generated is used to fund beneficiaries who provide a demonstrable public benefit in Southwark.

Insert financial appraisal

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978 383 On behalf of New Ventures (London) Ltd we have reviewed London Borough of Southwark's (LBS) Community Infrastructure Levy (CIL) CIL Draft Charging Schedule and associated documents and have some concerns as set out below.

Savills are concerned with the approach proposed by LBS, notably with regard to the levy proposed and unjustified rate on residential development. New Ventures (London) Ltd has various land holdings across the Borough, all of which are likely contribute to the maintenance and delivery of the housing land supply (to meet identified housing needs). The rate of CIL is therefore of critical importance to our client.

CIL Regulations and Guidance

Regulation 14 of the Community Infrastructure Levy Regulations 2010 (as amended) requires that a charging authority, 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'. Paragraph 8 of the Community Infrastructure Levy Guidance (December 2012) provides further guidance on what is meant by the appropriate balance and states that:

'By providing additional infrastructure to support development of an area, the levy is expected to

The council considers that the proposed CIL complies with the NPPF and statutory guidance. Further details about the relationship between the proposed CIL and the NPPF and statutory guidance are set out in the updated CIL background paper.

have a positive economic effect on development across an area. In deciding the rate(s) of the levy for inclusion in its draft charging schedule, a key consideration is the balance between securing additional investment for infrastructure to support development and the potential economic effect of imposing the levy upon development across their area.'

With regard to the preparation of Charging Schedules and supporting documentation it is important to have due regard to the available Government guidance, notably, the CLG Community Infrastructure Levy – an Overview (May 2011), CLG Community Infrastructure Levy Guidance (December 2012), CLG Community Infrastructure Levy Relief (May 2011), the Planning Act 2008 and the CIL Regulations 2010 (as amended). It is also important that the preparation of CIL is in line with the National Planning Policy Framework (NPPF), notably that it is delivery focused and 'positively prepared'. Our comments are based on these publications and the Regulations.

Paragraph 17 of the NPPF outlines 12 principles for both plan making and decision taking, notably that planning should "proactively drive and support sustainable economic growth". and that plan making should "take account of market signals such as land prices and housing affordability". Paragraph 19 states that "the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth". The NPPF refers to the "cumulative impacts" of standards and policies relating to the economic impact of these policies (such as affordable housing) and that these should not put the implementation of the plan at serious risk. Existing policy requirements should therefore be considered when assessing the impact of CIL on development viability.

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978 384 Retail CIL Rate

We are concerned that the blanket rate of £125 per sqm across the borough for retail development (not supermarkets or superstores) will undermine the objectives in the NPPF for sustainable mixed use development as it could render retail as part of a mixed use scheme unviable. The rate should be determined based on the economic viability of development across the borough and it is our view that this is likely to vary across the borough.

The council considers that the proposed retail rate is justified by the viability evidence and will not threaten the delivery of the Core Strategy as a whole.

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978 385 Residential CIL Rate

Savills has reviewed BNP Paribas Real Estate's (BNP) Viability Study and it is our view that there are a number of weaknesses and that these should be re-addressed to consider the following issues in more detail:

Sales values/ rates: We do not believe BNP have taken into account large development schemes when appraising larger sites.

Sales values: A range of sites were tested including a number of large sites. Southwark considers the sales values to be reasonable.

EUV: The methodology used is consistent with the guidance of the Harman group in the 2012 document, Viability Testing Local Plans.

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Land value assumptions: EUV/ MV not appropriate based on the comparable evidence obtained

Build/ infrastructure costs: Full infrastructure costs not included in majority of tested sites

We also have some other concerns as set out below:

**Development Profit:**

We are concerned over the level of developer's profit that has been included by BNP in the viability appraisals. A minimum profit margin that the lending institutions are currently prepared to accept, on private housing, is 20% on Gross Development Value (GDV) and it is industry practice to include this as a single GDV calculation, rather than the approach proposed by BNP whereby different profit levels are applied to the private market and affordable elements for the hypothetical development schemes.

Concerning developer profit, a recent appeal decision relating to Land at The Manor, Shinfield is relevant. We are of the opinion that this is an important decision in terms of viability in planning, and whilst it is not directly related to CIL, it does address many of the factors that are under consideration here, in particular developer's profit. The decision states:

"The appellants supported their calculations by providing letters and emails from six national housebuilders who set out their net profit margin targets for residential developments. The figures ranged from a minimum of 17% to 28%, with the usual target being in the range 20-25%. Those that differentiated between market and affordable housing in their correspondence did not set different profit margins. Due to the level and nature of the supporting evidence, I give it great weight. I conclude that the national housebuilders' figures are to be preferred and that a figure of 20% of GDV, which is at the lower end of the range, is reasonable."

The BNP methodology of applying circa 6% profit on cost to the affordable element was designed by the HCA to assist Registered Providers (RPs) in preparing their bids and applying for HCA grant funding. Grant funding is no longer available and developers generally make their bids for sites without prior agreements from RPs; instead seeking RP partners after the sites have been acquired.

There is therefore a similar level of risk to the developer that an RP may not be found to take on the Affordable element, or indeed it may take longer to do so. We are aware of many instances where developers have found it difficult to secure an RP and, where they have, the bids received can often be less than anticipated. We are also aware of instances where the RPs operating in an area are not willing to take the specified affordable dwellings as they are not the dwelling types

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Build costs: BCIS costs were used as a basis for infrastructure costs. As per paragraph 4.20 of the Viability Study, exceptional costs have not been included as these are atypical.

Developer profit: 20% on GDV is considered a reasonable assumption. This is the maximum level Southwark has accepted on viability assessments for individual sites over the past few years and that in the council's experience this level has not deterred developers from gaining planning permission and building developments.

The sales risk for a developer is whether or not they can secure a bulk sale of the affordable units to a Registered Provider; the tenure mix is irrelevant to this risk profile. The Registered Provider may well take a view on the risk of certain tenures, but this is accounted for in their discount rate and pricing to the Developer. The risk for the Developer does not increase if, for example, a scheme has a very high proportion of shared ownership units which need to be sold on to individual leaseholders. This risk is borne entirely by the RP. In any case, a 6% profit on affordable housing is entirely reflective of market practice.

required by their tenants; even though the affordable unit types were defined by the Local Planning Authority. The result of this uncertainty and risk is delays to the build programme and, consequently, increased holding and finance costs. As such, the developer will take a similar view on profit as to the Market Housing to reflect this risk.

BNP's inclusion of 20% profit on GDV for private housing and 6% profit on cost for affordable housing equates to a blended profit of circa 17.5% which is, of course, subject to variations based on the level of affordable housing required in each scenario. Accordingly we are of the opinion that this is on the low side, and does not reflect current market conditions.

Taking account of the Inspector's decision, funding requirements and housebuilders target profits upon which they base their bids, we are of the view that a profit of 20% on GDV for both Market Housing and Affordable Housing is appropriate.

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978 386 S106:

This will be provided.

Paragraph 22 of the CIL 2012 Guidance states that "as background evidence, the charging authority should also prepare and provide information about the amounts raised in recent years through section 106 agreements. This should include the extent to which affordable housing and other targets have been met". It does not appear that this evidence is available.

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978 387 Exceptional Circumstances Relief:

At this stage the Council does not wish to offer Exceptional Circumstances Relief given the new changes to the Regulations which allows for in-lieu infrastructure to be provided.

It is disappointing that LBS does not propose any exceptional circumstances relief. Given the ongoing economic uncertainties the ability of the Council to offer exceptional circumstances relief could be critical to the viability of schemes and we would urge the Council to reconsider. In particular we draw attention to the comments of the Examiner in his report on the Mayoral CIL where the refusal to make exceptional circumstances relief available came under particular criticism for being dogmatic, inflexible and reactive.

Paragraph 3.3.42 of the Consultation Report suggests that LBS will consider reducing Section 106 requirements, including affordable housing provision, where the levels of CIL, Section 106 and general lack of profitability may render schemes unviable. This is contrary to the wider aims of CIL which should not threaten the delivery of the plan as a whole, at the time of charge setting and throughout the economic cycle (CLG CIL Guidance December 2012 para 30). Recent Examiner's reports for Mid Devon, (February 2013) and the Greater Norwich Development Partnership (December 2012) have set a clear precedent for CIL to be considered in the round, including the testing of policy-compliant levels of affordable housing. Accordingly CIL should not be set at a rate which threatens the delivery of affordable housing and Savills therefore urges LBS to reconsider

introducing an exceptional circumstances relief policy to avoid threatening the delivery of the Core Strategy.

Summary

Imposing a CIL charge on residential and other developments in a fragile market makes it less likely that the Council will be able to meet its housing targets going forward. It will essentially make some development, in particular residential development, unviable.

New Ventures (London) Ltd requests to be heard by the CIL examiner in respect of their representations (if and when the CIL draft charging schedule is submitted by the Council for examination). Please ensure we are kept updated on CIL developments and in the meantime do not hesitate to contact me should you have any queries.

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1015 434 As advisors to IPIF who own the Bermondsey Trading Estate ,we do not recall being asked to make representations to you to the Preliminary Draft CIL charging Schedule with an initial deadline of the 17th October 2012 but we would like to be part of the on-going consultation process which has an expiry date of tomorrow, Wednesday 3rd April.

We will be appealing against the current decision at Unit 6 but, in the light of the significant cost involved, we would also like to make the following statements in this consultation process:

We do not accept that change of use should necessarily be defined as “development”.

In the case of unit 6 it was a change of use from B1(a) (Office) to B1 c, B2 & B8. The unit originally had B8 consent and this was temporarily changed to B1a in 2000 for a particular tenant. We therefore query the charge for a change of use which is actually a reversion to the original use.

We understand the charge may have been levied due to the fact that the building has not been occupied for at least 6 months in the prior 12 months to planning permission being given. We would query the reasoning behind this. In order to comply with this condition we would be required to extend the letting period to wait for someone to comply with the current use, B1a , and then reapply for planning permission, putting continued pressure on the Landlord for vacant rates and leaving yet another unit empty with the consequences to employment in the local area.

The CIL should ideally be a tax on actual development of a site or demolition and reconstruction.

This quantity of CIL will discourage ‘development’ and we hope that it can be revised.

The comments submitted relate to an individual development site’s CIL liability. At present CIL Regulation 40 includes a vacancy period test for calculating CIL liability so that vacant floorspace can be offset in certain circumstances. Where a building has not been in lawful use for a continuous period of at least six months within the last 12 months, ending on the day planning permission first permits the chargeable development, the floorspace may not be offset. However, in the recent Consultation on Community Infrastructure Levy further reforms document, published in April 2013, the government identified that, ‘We are aware that for certain developments (particularly those that require a building to be emptied, demolished and re-built), the vacancy test is preventing the offsetting of vacant floorspace and requiring payment of the levy even when the floorspace is not increasing. In other similar refurbishment cases, where floorspace is increasing, the whole development is being charged the levy, rather than just the increased floorspace.’

The consultation document goes on to identify that, ‘The test was designed because it was felt

that where development has an impact on infrastructure need the levy should be paid. However we are aware that the current test may not be working effectively and may be difficult to enforce.' In response to the consultation, the government have announced the CIL regulations will be amended to change this vacancy test to being lawfully occupied for at least 6 months in the prior three years.

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1016 437 Community Infrastructure Levy - Draft CIL Charging Schedule

London First is a business membership organisation with the mission to make London the best city in the world in which to do business. We represent the capital's leading employers in key sectors such as financial and business services, property, transport, ICT, creative industries, hospitality and retail. Our membership also includes higher education institutions and further education colleges.

We welcome the opportunity to respond to the consultation on Southwark's Council's Draft Community Infrastructure Levy (CIL) Charging Schedule.

London First wishes to reserve the right to be heard by the CIL Examiner at the forthcoming Examination in Public hearing. We also wish to be notified by email (fbaber@londonfirst.co.uk) of the following:

- (i) that the draft CIL charging schedule has been submitted to the CIL Examiner in accordance with section 212 of PA 2008,
- (ii) the publication of the recommendations of the CIL Examiner and the reasons for those recommendations, and
- (iii) the approval of the CIL charging schedule by the council.

London First has some specific areas of concerns regarding the Draft CIL Charging Schedule.

These include:

- a) We believe Southwark Council has not taken in to account the CIL setting requirements set out in the Community Infrastructure Levy guidance note issued by Department of Communities and Local Government<sup>1</sup> in December 2012;
- b) Southwark Council have not demonstrated properly how the proposed CIL charges will impact on the delivery of the Development Plan (including the London Plan, Core Strategy and Area Action Plans) and associated housing targets (including the ability to meet affordable housing provision);

In response to the points made, following the previous consultation on the Draft CIL Charging Schedule, further viability testing has been undertaken and the CIL Viability Study and supported CIL background evidence paper have been updated in response to this further work. We have also prepared a draft Section 106 Planning Obligation/Community Infrastructure Levy SPD which will be consulted in parallel with the revised Draft CIL Charging Schedule. This sets out further detail on the relationship between CIL and section 106.

- c) Since CIL is a tax and inherently more inflexible than planning policy, it is important that the evidence base reflects the normal circumstances under which development takes place. In this respect – and consistent with the National Planning Policy Framework – we believe the viability work underpinning the Draft Charging Schedule needs include market testing and sense-checking;
- d) The Draft CIL Charging Schedule does not properly take into account funding and deliverability issues for large development schemes (strategic policy allocations and strategic sites);
- e) We are concerned that the methodology being used to inform CIL rates is substantially underestimating the values and costs associated with releasing sites and, therefore, leading to an artificially high view of development viability;
- f) In our view, we don't believe the Mayor's CIL has been properly taken into account or obligations arising from the London Plan or Crossrail SPG (i.e. the Mayor's Crossrail tariff).
- g) The Draft CIL Charging Schedule fails to provide any evidence to compare rates with recently secured Section 106 obligations and affordable housing delivery (this being a requirement of the statutory CIL guidance);
- i) We can see no justification for residual Section 106 (+Section 278) assumptions. These appear very low and have not been based on an actual assessment of what is likely flowing from the Council's infrastructure requirements and draft Regulation 123 List. We believe the approach needs to be a lot more cautious: the extent of 'scaling back' of Section 106 is not robust and makes the basis of the viability evidence unsafe; and
- j) We have serious concerns over the impact of increased development costs on affordable housing policy. There is no explanation as to how affordable housing policy targets will be protected as a result of an increased cost burden.

In light of the above, and following substantial individual representations made by our members, London First believes the Council needs to provide further evidence and justification for the proposed Draft Charging Schedule.

In our view, the CIL charging rates proposed should be set at the lowest possible level given the prolonged stagnation in economic and construction growth. By setting the rates at a low level, it will help to encourage the property market to respond rather than trying to set them at very high levels which, in some cases have never been achieved with conventional section 106 agreements.

We look forward to receiving further information about the forthcoming Examination in Public hearing.

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