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| <b>Committee(s)</b>   | <b>Dated:</b>  |
| Port Health and Environmental Services<br>Planning and Transportation   | 05/03/2019<br>18/03/2019                                     |
| <b>Subject:</b><br>Construction Levy - Code of Practice for Deconstruction and Construction Sites Ninth Edition 2019        | <b>Public</b>  |
| <b>Report of:</b><br>Interim Director of Markets and Consumer Protection<br>Chief Planning Officer and Development Director | <b>For Information (PHES)</b><br><b>For Information (PT)</b> |
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### Summary

The City of London Corporation Code of Practice for Deconstruction and Construction (the Code) Ninth Edition requires developers to pay a Monitoring Fee to assist the City of London to fund officers to liaise with and monitor developers and contractors undertaking development within the City of London to ensure that works meet the standards within the code and any scheme of protective works required through the planning process.

Construction sites have now triggered the Monitoring Fee and payment is now being sought from developers and contractors. These fees will be used to enhance the monitoring that is undertaken on construction sites to improve further the level of compliance.

Compliance with the Code will help ensure that the City Corporation continues to encourage the use of the best environmental options in planning and managing construction and deconstruction. It also reflects the priority placed on the effects of reducing the impact of poor air quality and unwanted sound on the health of residents, workers and visitors as detailed in the City and Hackney Joint Strategic Needs Assessment.

The Code meets the key aims of the City's Air Quality, Noise and Contaminated Land Strategies.

This report details the processes that are now in place to implement the requirement of the Code.

### Recommendation

It is recommended that:

subject to comments received at your meeting;

a. The contents of this report are noted

- b. That a further report is presented to this Committee annually detailing the activity associated with the monitoring contribution fees.
- c. This report is presented to the Planning and Transportation Committee (P&T).

## **Main Report**

### **Background**

1. The City is constantly being redeveloped through deconstruction, construction and refurbishment of its buildings. In order to facilitate this process, the City of London Corporation Code of Practice for Deconstruction and Construction sites Ninth Edition (the Code) seeks to set out simply and clearly what constitutes acceptable site practice within the City, and to assist developers, architects, engineers and construction professionals to plan, cost and manage the environmental issues which arise in the industry. There is inevitably some impact on neighbours due to deconstruction and construction activities affecting them through the development process.
2. The Code balances the needs of the Business City (particularly construction sites) to undertake construction works, with the expectations of residents and neighbouring businesses who wish for impacts to be minimised.
3. The City Corporation has a responsibility to manage and minimise exposure to excessive and sometimes unnecessary environmental impacts of construction, whilst ensuring that the City can continue to function as a modern world-class business centre.
4. To ensure that the City Corporation can adequately resource this activity and undertake the necessary monitoring and liaison a monitoring fee was introduced in the eighth edition of the Code, approved by Port Health and Environmental Services Committee (PHES) on 19<sup>th</sup> September 2017 and P&T on 3<sup>rd</sup> October 2017. The Code has since been updated (9<sup>th</sup> Edition) with minor changes to the code.
5. The Code and the associated fees are actioned through the Planning process. A condition (Appendix 1) is placed on appropriate developments that the Code shall be adhered to.
6. The Code also details the actions that can be expected from the Pollution Control Team in monitoring and liaising with developers and contractors. This includes advising applicants regarding the scheme of protective works, regular liaison including site visits, the timely processing of developers/contractors site hour variations, attendance at community liaison events, reviewing works

programmes, noise and air quality monitoring, assistance with liaison with other regulatory bodies such as Highways and the assessment of monitoring data.

7. The Pollution Control Team has liaised with the Planning development team and finance teams to produce a framework for monitoring and managing the income from the fees. The flow chart shown in (Appendix 3) details the process of applying a condition to a planning permission through to the invoicing of the developer. This process will continue to be developed once significant funds start to be received.
8. The planning condition has been applied to relevant development from January 2018.
9. Due to the long lead time for many of the construction projects there is considerable delay between planning approval and the triggering of payment which is set at the commencement of deconstruction or construction works.

### **Key Policies and Proposals**

10. The monitoring fee required by the Code will allow a greater ability to work proactively and should ensure wider compliance with the Code and help deliver one of the key themes of the Local Plan to “protect, promote and enhance our environment” whilst contributing to the wider policy context of maintaining a world class city.

### **Proposals**

11. This report does not introduce new proposals but outlines progress on existing commitments.

### **Financial Implications**

12. Appendix 2 Code of Practice for Deconstruction and Construction sites (Appendix L) details a schedule of monitoring fees to be paid by developers on commencement of works and annually thereafter until completion, which is summarised below.

| <b>Site Category</b>         | <b>Fee</b>    |                         |
|------------------------------|---------------|-------------------------|
|                              | <b>Year 1</b> | <b>Subsequent Years</b> |
|                              | <b>£</b>      | <b>£</b>                |
| 1 (Large Major Development)  | 53,820        | 46,460                  |
| 2 (Medium Major Development) | 30,935        | 25,760                  |
| 3 (Minor Development)        | 5,060         | 5,060                   |

13. The fees have been calculated on a full cost recovery basis, and will be updated annually by officers.

14. Additional staff will be required to resource the new work resulting from the proposed monitoring scheme. Due to uncertainty in the number and timing of commencement of development works, it is difficult to forecast the likely income and resource requirement, and staffing will need to be managed to ensure we have the flexibility to meet demand without incurring additional costs to the City, however fees are calculated on a full cost recovery basis so the monitoring scheme should be cost neutral overall.
15. Information relating to site commencement and site visits undertaken indicate that 35 sites may have now triggered payment under the condition and each of the developers has been written to advising them of the situation and that payment under the condition is due. A table of size of developments that have triggered and estimated payments due is shown below.

| Site Category                | Number of sites triggered* | Fee         |                       | Total** |
|------------------------------|----------------------------|-------------|-----------------------|---------|
|                              |                            | Year 1<br>£ | Subsequent Years<br>£ |         |
| 1 (Large Major Development)  | 5                          | 53,820      | 46,460                | 733,700 |
| 2 (Medium Major Development) | 6                          | 30,935      | 25,760                | 494,730 |
| 3 (Minor Development)        | 24                         | 5,060       | 5,060                 | 121,440 |
| Total                        | 35                         |             |                       |         |

\*This is subject to confirmation depending on individual site details

\*\*This is based on an estimation of the duration of the projects as 3 years for category 1&2 and 1 year for category 3.

16. It is expected that there will be a need for additional staff during 2019/20 to undertake the necessary work regarding the sites that are now commencing. Any additional staff will be appointed on fixed term contracts and financed through the monitoring fee.
17. Existing work carried out by the Pollution Control team in relation to the Code will continue to be met within the Director of Markets and Consumer Protection's existing resources. The Department of the Built Environment are also involved in applying conditions at the planning stage requiring a 'Scheme of Protective Works', applying the new condition requiring payment of fees, the administration of the Considerate Contractors Scheme, as well as issues with impacts on the public highway, and this work will be met from their existing resources.

## Corporate and Strategic Implications

18. The work on noise sits within Strategic Aims 1 and 2 (SA1) (SA2) and of the Corporate Plan: 'To support and promote The City as the world leader in international finance and business services' and 'To provide modern, efficient and high quality local services, including policing, within the Square Mile for workers, residents and visitors'.

### **Consultees**

19. The Draft Code underwent full internal and external consultation in 2017 and the results of this were reported to PHES and P&T committees in 2017.

### **Conclusion**

20. The monitoring fees required by the Code of Practice for Deconstruction and Construction Ninth edition have triggered and payments are now being requested. Subject to comments received at your meeting following on from receipt of the relevant fees the additional activities required will be undertaken to ensure the best environmental options in planning and managing construction and deconstruction are undertaken by contractors and developers. Additional staff will be appointed as necessary to undertake the work, ensuring that any additional staffing costs are met fully through the monitoring fee scheme.

21. Background Papers:

Code of Practice for Deconstruction and Construction Sites Ninth Edition

<https://www.cityoflondon.gov.uk/business/environmental-health/environmental-protection/Documents/Code-of-Practice-for-Deconstruction-and-Construction-Sites-9th-Edition.pdf>

### **Appendix 1**

Approved Planning condition requiring compliance with the Code.

### **Appendix 2**

Code of Practice for the Deconstruction and Construction sites Ninth Edition

### **Appendix 3**

Process chart -application of condition to requesting payment.

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