

City of London Community Infrastructure Levy

Preliminary Draft Charging Schedule Consultation Statement

July 2013



CONTENTS

Introduction	3
General Consultation Measures	4
Events & Meetings	5
Annex: CIL Consultation Comments and Response	7

INTRODUCTION

The objective of the City of London's Community Infrastructure Levy: Preliminary Draft Charging Schedule was to seek views on the proposed level of the Community Infrastructure Levy to be applied in the City of London, alongside supporting information in the form of the Infrastructure Delivery Plan, the Economic Viability Study, the draft Regulation 123 List and draft Issues and Options for scaled back s106 planning obligations.

The Community Infrastructure Levy Regulations 2010 (amended 2011, 2012 and 2013), supported by the Community Infrastructure Levy Guidance 2013, require two rounds of public consultation on the CIL – on the Preliminary Draft Charging Schedule and the Draft Charging Schedule. Following consultation, Regulations require that the CIL Draft Charging Schedule be submitted for Public Examination in front of an independent inspector.

CIL Regulation 15 sets out who the charging authority should consult on the CIL Preliminary Draft Charging Schedule, but does not specify how the consultation should be undertaken. Regulation requires consultation with defined bodies:

- adjoining local planning authorities,
- the Mayor of London,
- City residents and City businesses, and
- those voluntary bodies or business representative bodies that the City Corporation consider appropriate.

The City of London's Statement of Community Involvement November 2012 requires consultation on planning policy documents and CIL to exceed the minimum requirements laid down in regulation. For the CIL, this requires: contacting those specific and appropriate consultation groups and bodies set out in Annex A to the SCI, contacting everyone on the Local Plan consultation database, together with residents, businesses and representative groups who have specifically asked to be consulted on the CIL, arranging meetings and placing information in appropriate locations.

The City's business community has been particularly heavily involved in the development of the CIL prior to the formal consultation stage. This has been through a series of individual meetings, questionnaires and stakeholder workshops organised by the City Corporation's viability consultants, seeking informed business input into the design of the viability model, the key cost and revenue inputs and reviewing emerging viability findings. Further detail on the pre-consultation engagement is included within the Economic Viability Study which accompanies the City's CIL proposals and which is available on the City Corporation's website at: www.cityoflondon.gov.uk/cil . Pre-consultation engagement was supplemented by City Corporation presentations at conferences and seminars and the Department of the Built Environment's Users Panel.

PURPOSE

This document demonstrates how the City Corporation has complied with the consultation requirements for the CIL Preliminary Draft Charging Schedule set out in CIL Regulations and in the City of London Statement of Community Involvement (2012). This document sets out the following:

- which bodies and persons were invited to make representations under the Regulations;
- how those bodies and persons were invited to make such representations;
- a summary of the main issues raised by those representations;
- how those main issues have been addressed in the CIL Draft Charging Schedule.

STAGES OF CONSULTATION

The consultation for the CIL Preliminary Draft Charging Schedule began on 25th March 2013 and closed on 13th May 2013. This period exceeded the minimum 6 week period set out in Statutory CIL Guidance issued by the Department for Communities and Local Government in April 2013.

GENERAL CONSULTATION MEASURES

Consultation Notification Emails and Letters

Over 1,340 emails and letters were sent to Local Plan and CIL consultees. The consultation details were also emailed by the City Property Association to all its members. A total of 15 representations were received.

Summaries of each of these responses are attached as an Annex to this report and copies are available on the City Corporation's website at www.cityoflondon.gov.uk/cil

Website

The CIL Preliminary Draft Charging Schedule, the Economic Viability Study, the City of London Infrastructure Delivery Plan, the draft Regulation 123 List, the draft s106 Planning Obligations Issues and Options documents and the Equalities Impact Assessment were published on the City of London's website at www.cityoflondon.gov.uk/cil

The website also included information explaining where and when paper copies of the documentation were available for inspection.

Information was provided through the 'New this week' section on the home page of the City's website and the 'what's new' section on the home page of the Planning section of the website, as well as through dedicated CIL pages, to ensure maximum exposure.

City Libraries

Throughout the consultation period, printed copies of the CIL Preliminary Draft Charging Schedule and supporting documentation were made available at the Department of the Built Environment Enquiries Desk and the City's five libraries:

- Department of the Built Environment Enquiries Desk, Guildhall
Monday – Friday, 9.30am – 4.30pm
- Guildhall Library, Aldermanbury
Monday – Saturday, 9.30am – 5pm
- City Business Library, Aldermanbury
Monday – Friday, 9.30am – 5pm
- Artizan Street Library & Community Centre, Artizan Street
Monday – Friday, 8am – 6pm
- Shoe Lane Library, Little Hill House, Little New Street
Monday and Wednesday – Friday, 9am – 5.30pm; Tuesday 9am – 6.30pm
- Barbican Library, Silk Street
Monday & Wednesday, 9.30am – 5.30pm; Tuesday & Thursday, 9.30am – 7.30pm; Friday, 9.30am – 2pm; Saturday 9.30am – 4pm

Press Release

A press release providing details of the consultation process was issued to the local, national and professional media.

Eshot

A short message was placed in the City's 'eshot' which brought the consultation to the attention of City workers who subscribe to the monthly email alert.

Social Media

Information about the consultation and a link to the CIL page on the City Corporation's website was placed on the City Corporation's Facebook page and Twitter feed.

Internal City Corporation Consultation

Information about the consultation, including consultation dates and links to the CIL pages on the City Corporation website, was made available to City Corporation Members and staff.

EVENTS AND MEETINGS

a) Pre-consultation meetings

Presentations were made by City Corporation officers at seminars and conferences prior to the finalisation of the Preliminary Draft Charging Schedule rates to explain the City Corporation's approach to CIL and CIL rate setting, and encourage stakeholders to respond to the subsequent formal consultation. Presentations were made to a breakfast seminar organised by Cundall Planning on 18th July 2012 and to the Planning in London Conference on 26th November 2012.

Regular updates on progress with the City CIL and amendments to the national CIL Regulations were provided to the Built Environment Users Panel and posted on the City Corporation's website.

As part of the process of developing the Economic Viability Model and providing advice to the City Corporation, the City Corporation's viability consultants – Gerald Eve – sent out questionnaires and undertook meetings with individual developers, landowners, agents and investors during the period June to September 2012. City Corporation officers also attended and provided guidance on the CIL process at two stakeholder group meetings organised by Gerald Eve on 19th June and 29th July 2012. Officers also attended and provided guidance at a stakeholder group meeting on 17th October 2012, organised by Gerald Eve to feed back to stakeholders their CIL viability recommendations to the City Corporation.

b) Consultation meetings

City Property Association, 19th February 2013

A presentation was made to a breakfast seminar of the City Property Association, setting out the proposed CIL charge rates and encouraging CPA members to respond to the consultation.

Built Environment Users Panel, 22nd January 2013 & 9th May 2013

Information on the likely levels of CIL charges and the timescale for consultation was presented to the Users Panel in January and members were encouraged to take part in the consultation. At the meeting on 9 May, information was presented on the rates agreed by Committee for consultation and progress on the consultation, with Users Panel members encouraged to respond.

Safer City Partnership, 8th May 2013

An information note was provided to the Safer City Partnership and a brief discussion took place on the CIL charge rates and areas of potential spend. Partnership members were encouraged to respond.

Annex: CIL Preliminary Draft Charging Schedule – Consultation Comments and City Corporation response

Comment ID	Name	Organisation	Comment Type	Comment	City Corporation Response
1	S Doherty	Civil Aviation Authority	General Comment	<p>The CAA is not a statutory consultee for planning applications (unless its own property is affected). Other than the consultation required by Section 110 of the Localism Act 2011, it is not necessary to consult the CAA about Strategic Planning Documents (e.g. Local Development Framework and Core Strategy documents) other than those with direct aviation involvement (e.g. Regional Renewable Energy Plans); Waste Plans; Screening Options; Low-rise structures, including telecommunication masts. With the exception of wind turbine developments, the CAA is unlikely to have any meaningful input related to applications associated with structures of a height of 100 feet or less that are situated away from aerodromes or other landing sites; Orders affecting Rights of Way or Footpaths; Sub-surface developments; General planning applications not affecting CAA property; and Solar Photovoltaic Panels (SPV). In all cases where the above might affect an airport, the airport operator is the appropriate consultee. Please be advised that we will no longer respond to future correspondence received regarding the above subjects. Where consultation is required under Section 110 of the Localism Act 2011 the CAA will only respond to specific questions (but will nevertheless record the receipt of all consultations). Please could you ensure that your Planning Officers are aware of these principles and the revised policy and that any associated procedures are amended with immediate effect.</p>	Comments Noted

2	Gordon Cookson	City Resident	General Comment	<p>How will the City Fringe be monitored? Sounds costly which may end up increasing the costs of the City Corporation and put pressure on the Corporation to increase levies in the future. Why is a levy even needed? Surely there are standard, existing, revenue raising methods which take money from firms operating within the City of London - the more firms which operate in the City (e.g. as a result of new development) the more existing revenue comes to the City for future infrastructure provision anyway? Similarly, the draft CIL refers to charges on residential developments - the more residents in the City of London the greater are council tax receipts for funding future infrastructure development. So again, why is the CIL even needed? As an aside, raising development costs for residential developments may result in higher flat/house prices in the City of London which may be an unintended consequence of the levy. Why only levy new developments? New developments create jobs so it seems odd to levy these and potentially reduce the number of developments and so jobs. Similarly, the City Fringe introduces a policy which if it changes developers' procurement behaviour at all will by definition be raising developers' procurement costs - the implicit assumption being that developers are privately optimally sourcing products pre-levy. At the margin this levy and the City Fringe may discourage some developers from operating in London which (while not necessarily reducing welfare from society's perspective) would surely go against the principles of the policy. Perhaps better to interfere less with business which will maximise the chances of new business and residential developments taking place and in turn maximise job creation, and thereby help reduce local unemployment issues.</p>	<p>1) CIL will be levied at uniform rate for most development city-wide, with higher rate for residential on the riverside, reflecting the viability evidence. CIL regulations set out how the CIL should be monitored and make provision for this cost to be recovered through the CIL charge. 2) CIL will replace existing s106 planning obligations and will provide a specific mechanism for seeking developer contributions towards meeting the demands on infrastructure generated by their development. 3) CIL is charged on the increased floorspace in new development to ensure that it funds only the increased infrastructure requirements arising from that development and is not intended to address existing shortfalls or deficiencies. 4) The viability evidence demonstrates that the CIL will not impact on the viability of development across the City and should not, therefore, discourage new development.</p>
3	David Waller	City Resident	Support	<p>If the basic logic is that <u>new</u> developments, through the CIL, are contributing to the <u>additional</u> infrastructure needs they cause, then I think the CIL is a good and fair idea.</p>	Support Noted
4	Andrew Brabin	City Resident	Support	<p>I support the proposed charges on new developments and the fact that they explicitly will fund infrastructure and NOT be used for Affordable housing, training or education initiatives.</p>	Support Noted

5	Francesca Barker	Natural England	Support	<p>We note that the National Planning Policy Framework Para 114 states “Local planning authorities should set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure.” We view CIL as playing an important role in delivering such a strategic approach. As such we advise that the council gives careful consideration to how it intends to meet this aspect of the NPPF, and the role of the CIL in this. In the absence of a CIL approach to enhancing the natural environment, we would be concerned that the only enhancements to the natural environment would be ad hoc, and not deliver a strategic approach, and that as such the local plan may not be consistent with the NPPF. Potential infrastructure requirements may include: Access to natural greenspace; Allotment provision; Infrastructure identified in the local Rights of Way Improvement Plan; Infrastructure identified by any Local Nature Partnerships and or BAP projects; Infrastructure identified by any AONB management plans; Infrastructure identified by any Green infrastructure strategies; Other community aspirations or other green infrastructure projects (e.g. street tree planting); Infrastructure identified to deliver climate change mitigation and adaptation; Any infrastructure requirements needed to ensure that the Local Plan is Habitats Regulation Assessment compliant.</p>	<p>Reg 123 list includes reference to public realm enhancement, open space provision and community facilities which includes green infrastructure. The Infrastructure Delivery Plan also considers the provision of green infrastructure and measures to address climate change. Amendments will be made to the IDP to clarify that infrastructure includes the creation, protection, enhancement and management of networks of biodiversity and green infrastructure.</p>
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6	Alexander Deane	City of London - Common Councilman	Object	<p>Having read and considered it, my firm and considered view as a Common Councilman is that we should not adopt it. Whilst these CIL arrangements are, in principle, preferable to s. 106, it is clear from answers I have received to questions to Officers that CIL will cost developers more in tax to conduct their work in our authority (for both residential and commercial build). I believe that this is plainly the wrong time to raise costs for those conducting work that drives economic growth in our country. I say that because, presently, the property industry already faces: "Section 106" payments, as a condition of planning permission; Stamp duty (at much higher levels than in the past) on a property when it's sold; Income Tax and National Insurance for their construction and other staff; and all the other taxes like Fuel Duty, Business Rates, Landfill Tax, environmental levies and Insurance Premium Tax. With such a heavy burden of taxes and regulations, it's no wonder that we have a housing crisis and a construction industry in a parlous state. If we keep piling more taxes onto this sector, then it will collapse. We are a flagship authority and should pride ourselves on imposing less tax than others, setting an example of a freer market and more nimble economic environment. I am also concerned by the fact that it was by no means apparent in the consultation per se that state-imposed costs would be going up for developers, and that only by asking direct questions did that fact emerge. I am concerned that, through no fault of their own, others responding to this consultation will not realise that; their responses are unwittingly handicapped as a result.</p>	<p>1) CIL will replace much of the existing s106 regime. The viability evidence demonstrates that the proposed CIL rates will not impact on the overall viability of development in the City. 2) CIL rates have been set with reference to the viability evidence in line with CIL Regulations and not the rates proposed in other boroughs. Comparison with adjoining boroughs shows that City CIL rates are in line with, or lower than, those being proposed in these boroughs. 3) CIL consultation documents included information on the current level of s106 charge, the proposed CIL charge and the scaled back s106 charge to enable informed consideration of proposed rates.</p>
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7	Gerald Hine	City Resident	General Comment	<p>GERALD EVE have produced a detailed and comprehensive review on behalf of the City of London Corporation. I am not capable of challenging the detailed workings and methodology, but I am very concerned about the parameters, which are a strait-jacket for the reviewer. The latter is, therefore not to blame for the conclusions: the fault, in my view lies with the Corporation's restrictive, out-moded policies. Firstly, insisting on affordable housing contributions at the minimum of 30% of residential development on-site, is untenable, when on all sides from Central Government and the Mayor of London, there is a cry for more affordable housing. In today's "Times" is a most revealing report concerning Westminster Council's insistence on requiring more than £1.8 million to their affordable homes scheme, from the re-development of Piccadilly's In and Out Club into, allegedly, the most expensive home in Britain. The Council – not known for its "socialist" stance – finally exacted £5.5 millions. If that neighbour can do it, then so can the City Corporation. Instead of yet another concert facility in the Square Mile, as at the former Milton Court redevelopment, the expensive Heron residences could have produced more socially useful affordable housing. Why not do a Westminster Council on the Roman House redevelopment? If the present constraining policy were to be eased, then GERALD EVE's review would have painted a much more different picture, to the benefit of the City's residential and working population. Secondly, the City wishes, quite rightly to preserve and enhance educational facilities; it refers to the need to increase primary health care facilities, and this is a welcome step forward, but, there needs to be a greater more pro-active thrust by the Corporation in the latter respect, rather than waiting on others to come in with finance. Primary care is a necessary ingredient in the City's total infrastructure, just as there is also a need to establish large scale medical conference facilities within the Square Mile – perhaps in Smithfield associated with Bart's Hospital. The City needs to look for revenue streams other than from the traditional business offices. This leads to my third and final point. There is a fast-changing face in the way the office community is working: less dependence on office space, more dependence on working away from the office. New technology is re-shaping where people work – at home, in the café, in public spaces such as the Barbican Centre, by video-conferencing. So why build in extra office space in the coming years? It is a dodo</p>	<p>The comments raise concerns about the level of affordable housing sought in the City; the balance of land uses between offices and other uses, particularly health care; and the need to continue to plan for further office development. These are matters which impact on the direction and policies of the emerging City of London Local Plan and not the proposed CIL Charging Schedule.</p>
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8	Stephen Ashworth	Dentons	Object	<p>There needs to be better justification of the "total infrastructure" that is costed in the paper, and it is doubtful that that should include any housing; there should be a better explanation of how the infrastructure funding gap will be met. If the infrastructure is meant to be R122 compliant, and without it development would not be acceptable, then there needs to be some clarity about how that necessary infrastructure will be funded -- or the development plan strategy will be, prima facie, at risk; CIL is meant to affect, and diminish, residual land values. The Gerald Eve approach effectively assumes that it does not. That cannot be right; the protection for the Mayoral Crossrail SPD monies is unnecessary and many in the City would be willing to make that SPD contribution (which too often has a s106 compliance cost) made by CIL and spent on wider infrastructure; CIL levels, particularly for residential, should be benchmarked against rates in similar and neighbouring areas; the approach to instalments should be explicit; the assumption that there is no need for an exceptions policy because s106 obligations can be squeezed is flawed. Development plan requirements should take precedence over CIL. CIL, like land values, should function at the residual level.</p>	<p>1) IDP will be amended to clarify that CIL cannot be spent in delivery of social housing, as defined in Part 2 of the 2008 Housing & Regeneration Act. 2) IDP will be amended to further clarify the relationship between CIL and s106, and clarification provided in the CIL supporting information and draft s106 SPD on the need for s106 to make development acceptable within the requirements of Reg 122. 3) Land values are regarded as an input in the viability modelling and to take account of both policy and future CIL levels in accordance with the NPPF and DCLG Guidance. 4) Disagree, Crossrail contributions are a requirement set out in the London Plan and Mayoral SPG which forms part of the development plan for the City and have to be taken into account to ensure the CIL is policy compliant. 5) CIL Reg 14 requires rates to be set with regard to the impact on development viability. It does not allow rates to be set by benchmarking those in neighbouring areas. 6) The City Corporation proposes to operate the Mayor's instalments policy. Further information will be provided in the Draft Charging Schedule. 7) Current CIL Regs allow very little scope for allowing exceptional circumstances relief. The City's CIL rates have been set at a level which would allow for CIL and necessary s106 to be delivered without the need for such relief.</p>
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9	Philip Jameson, Savills	Thames Water	Object	<p>Thames Water considers that water and wastewater infrastructure buildings should be exempt from payment of the CIL for the following reasons: It is Thames Water's understanding that it is unlikely that the provision of water and waste water infrastructure could be funded through CIL. This infrastructure is ordinarily funded via the Water Industry Act and the Asset Management Planning (AMP) funding process that is regulated by Ofwat and ultimately comes from customer's bills; The CIL was not taken into account in the submission of Thames Water's Business Plan submitted to Ofwat for AMP5 covering the period from April 2010 to March 2015 and hence, if for any reason, Thames Water were required to pay CIL this would impact on the ability to deliver important water and wastewater infrastructure required to support growth; and water and wastewater infrastructure is by its nature essential to support growth and to deliver environmental improvement. The provision of such infrastructure usually does not result in any increased demand for other types of infrastructure such as schools, open space and libraries for example and therefore has no significant impact on wider infrastructure provision. The predominant aims of water and wastewater infrastructure development are to support growth (the same aim as the CIL) and to deliver environmental improvements, rather than to increase the financial value of land on a profit making basis. Consequently, Thames Water does not benefit in the same way as residential or commercial developers through the ability to sell operational sites with planning permission in place for operational buildings. 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 increased demand arising from new development. As set out above water and wastewater infrastructure is also essential to support new development, however such development is unlikely to put additional pressure on the above mentioned other types of infrastructure. The Communities and Local Government document entitled <i>"The Community Infrastructure Levy – An Overview"</i> 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 <i>"the responsibility to pay the levy runs with the ownership of land on which the liable development will be situated. This is in</i></p>	<p>Comments noted, but no change required. Water and waste water operational development of the type referred to would normally fall within the definition of development which is not liable for CIL under 2011 CIL Regulation 6(2)(a) & (b), i.e. buildings into which people do not normally go and buildings into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery.</p>
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10	Andrew Barry-Pursell	Greater London Authority		<p>As you are aware, the Mayor's CIL Charging Schedule came into force on 1 April 2012. We consider all borough CIL proposals to ensure they take full account of the rates set by the Mayor in bringing forward their own proposals, as required by regulation 14(3) of the Community Infrastructure Levy Regulations 2012 (as amended).</p> <p>We have discussed the extent to which your proposals have taken account of site-specific issues for which the Corporation would intend to continue to use section 106 following introduction of its CIL. You indicated that this has been taken into account in the Economic Viability Study. On this basis we are glad to confirm that your proposals meet the requirements of regulation 14(3), but we would suggest that this point is made clearly when you issue your draft charging schedule documentation.</p>	<p>Comments noted, the Draft Charging Schedule documentation will clarify that the CIL Economic Viability Study has taken account of the need for site specific mitigation under s106 and s278.</p>
11	Neil Lees	Transport for London	General Comment	<p>As you are aware TfL has been working closely with the GLA on the implementation of the Mayor's CIL and reviewing proposed borough CILs. TfL has a common interest with the Mayor in ensuring that borough CILs, when combined with his own, will not threaten development nor the aim of raising £300m for Crossrail. In addition, TfL hopes to work with boroughs on their infrastructure planning, and ensure borough CILs are a means of funding transport infrastructure that is vital to support planned development. We will also be happy to work with you in further developing the draft regulation 123 list that the CIL guidance now requires to be produced at the CIL examination. TfL will not generally support the case for funding strategic transport infrastructure from CIL which it does not regard as important or justified for the delivery of the objectives of the local plan or assist in funding such projects itself. I note the approach to transport infrastructure set out within the Infrastructure Delivery Plan dated March 2013. The draft regulation 123 list also identifies transport improvements. It would be helpful to understand which transport projects will be prioritised in respect of the CIL generated and how the City proposes to bring forward transport infrastructure.</p>	<p>Comments noted. The Reg 123 List defines a broad category of 'transport improvements' to provide flexibility in determining appropriate improvement schemes in response to the City's needs. The City Corporation already works closely with TfL in delivering improvements and this close working will continue.</p>

City of London CIL: Preliminary Draft Charging Schedule Consultation Statement, July 2013

12	Paul Houston	City Property Association	Support	<p>The CPA confirms that it is supportive of the proposed CIL rates in the City's Preliminary Draft Charging Schedule and considers that they have generally been set at a level which allows for economic development to continue in the City. We have had regard to the City of London "Draft Issues and Options Section 106 Planning Obligations" SPD. The CPA has long supported the public realm enhancements that the City of London has made across the City which has made it a more attractive place to invest and develop. It wishes to ensure that the priority which is given to these public realm enhancements is continued under the new CIL regime.</p>	<p>Support Noted. The Infrastructure Delivery Plan identifies the importance of public realm enhancement to the implementation of the Core Strategy. The Reg 123 List identifies public realm enhancement as infrastructure that will be funded through CIL.</p>
13	Mel Barlow-Graham	Dron & Wright for London Fire and Emergency Planning Authority	General Comment	<p>We note that "all other uses", within which a new fire station will fall, carry a levy of £75 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 as this ultimately results in a charging of the levy on one of the very uses that CIL is designed to fund. Payment of such a levy would also render new fire station development unviable. We therefore request that particular reference to this use be included within the schedule, with a nil levy set against it. 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 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. It is also worthy of note that other London boroughs have excluded fire station and associated used from payment of a CIL levy, most notably Barnet, Brent, Richmond Upon Thames, and Sutton. A number of others have also excluded payment of a CIL levy for fire stations, as they fall under "all other uses". We trust that the reasons set out above are sufficient for the Council to reconsider that a fire station does fit within the definition of community infrastructure and hence should not have a CIL levy payable.</p>	<p>Issues raised are applicable to other emergency service provision. The CIL Charging Schedule will be amended to provide a nil rate of CIL for payment used wholly or mainly for the operational purposes of the emergency services.</p>

14	Tom Dobson	Berkeley Group	General Comment	<p>Viability Study: Berkeley welcomes the open and consultative process that the City of London and its advisers have taken to the production of the Preliminary Draft Charging Schedule. In particular, early engagement with the development industry on their experience of viability issues in the City has clearly informed the production of the PDCS, as recommended by the CIL Guidance (2013). We also welcome the extent to which the approach has taken into account real sites and linked the assessment to the delivery of the Local Plan. While the approach taken in the study is supported we have a number of queries as to the content of the residential appraisals and relationship to the summary report and proposed charging rates. In relation to the residential appraisals contained in Appendix 10b, we would make the following observations: It is unclear how the appraisals deal with affordable housing provision. Paragraphs 8.18 to 8.20 in the main report describe the approach taken and suggest that, although policy standards are higher, most residential schemes agree a lower off site proportion through negotiation and therefore 30% (off site) has been tested. However the appraisals themselves suggest a figure of 26% (off-site) has been applied. Both rates are lower than either the 30% on site requirement or the 60% off site commuted sum that the Corporation is proposing in the Draft Planning Obligations SPD on which it is consulting alongside the PDCS, and which reflects current policy. Given recent CIL Examination reports we would suggest that appraisals should test a policy compliant rate of affordable housing; The appraisals do not appear to include any Section 106 obligations although the Draft SPD includes a £3 per square metre tariff for employment and skills, and other potential contributions; The CIL appears to be calculated on the basis of GEA rather than GIA as required by the CIL regulations. These former two assumptions appear to contradict the list in Table 4 of the PDCS. We would also welcome some clarification as to how the conclusions about residential viability in paragraphs 10.11 to 10.13 have been arrived at. Figures 10.20 and 10.21 appear to represent some sort of average of the twenty residential appraisals in Appendix 10b. Of these twenty appraisals it would appear only three relate to the riverside zone. There appears to be something of a gap at present in the explanation as to how the individual appraisals lead to the proposed rates in paragraphs 10.12 and 10.13, and that there is far less detail than there is in the case</p>	<p>1) The City's viability consultants have updated their financial modelling to ensure that account is explicitly taken of the policy requirements for affordable housing. Revised appraisals indicate that policy compliant levels of affordable housing will not impact on the proposed CIL rates. 2) The draft s106 SPD Issues and Options document clarifies that s106 contributions will be sought only for site specific mitigation within the terms of Reg 122, affordable housing and training and skills provision. The City's viability consultants have updated the viability appraisal sheets to confirm that these contributions have been taken into account in arriving at the proposed CIL rate 3) The City's viability consultants have amended the viability study to confirm that it is based on GIA. 4) CIL rates on the riverside have been derived from viability testing of a small number of actual schemes including residential. The lower number of appraisals relative to offices is a reflection of the approved Core Strategy policy approach which gives priority to office development. 5) Further information will be provided in the CIL documentation on affordable housing contributions through s106 and delivery of affordable housing.</p>
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				Group wishes to continue work with the Corporation to ensure that the introduction of CIL achieves its stated objective of supporting all new development in the City. We would therefore be happy to provide any further information that might be useful in the next stage of the Corporation's work, and would be keen to engage with the Corporation and its consultants to address the issues we have identified above.	
15	Graham Saunders	English Heritage	General Comment	In paragraph 23 the Local Planning Authority states its view that any CIL exemption would be unlikely to be necessary in the City of London. Nevertheless, English Heritage encourages Local Planning Authorities to consider offering CIL relief in exceptional cases, should they arise, for schemes designed to meet a conservation deficit in the repair of a heritage asset but where the application of CIL would render the scheme unviable. English Heritage would strongly advise that the City's conservation staff are involved throughout the preparation and implementation of the Draft 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.	Opportunities for exceptional circumstances relief are very limited by Regulation. The City Corporation will keep this under review in light of viability evidence and the DCLG (May 2013) consultation on further CIL reforms.