To: The CIL Team
Planning policy

Revised Draft Community Charging Schedule Examination

I have the following questions arising from my study of the submitted documentation so far:

1. The Background paper on revised CIL and interim s106 guidance for Old Kent Road, January 2017.
   i) Paragraph 3.1.20, page 9 states that the proposed change to CIL will have a significant impact on the ability to fund infrastructure, increasing CIL revenue by over 50%. Section 6 on page 12, at paragraphs 6.1 and 6.2 states that a CIL income model has been prepared, on which basis it is estimated that CIL could generate around circa £10 million average per year, providing a total of circa £208 million. Please could I have some elaboration of this, with the information about the income model, CIL receipts to date and anticipated receipts assuming the adoption of the proposed rates in the Old Kent Road Opportunity Area?

   ii) Paragraph 7.10 to 7.13 deal with the addendum to s106 and CIL SPD. These tell me that the Council approved the adoption of the Addendum in January of this year. I understand that this SPD requires schemes of 100 or more to make a contribution of £174 square metre. If possible, please report what has been achieved as a result in the year to date, and in the light of schemes that may be under consideration for planning permission, what are the expectations in the period up to your anticipated date of adoption of the revised CIL charging schedule.

   iii) Within Appendix 1, information is given under the headings ‘Approvals’ and ‘Delivered’. I note that in the second paragraph under the heading ‘Approvals’, it is stated that the percentage of affordable housing secured on approved schemes has consistently improved over the five year period, from 18% in
2011–12 to 40% in 2015–16. Under the heading ‘Delivered’, it is noted that the number of affordable homes delivered varies from year to year from a high of 632 in 2011–12 to a low of 375 in 2014–15 with the percentage varying from a high of 53% to a low of 24% in the same years. The diminishing percentage of delivered affordable homes appears to be at odds with the record in relation to the percentage in approved schemes, and calls for a justification for the final sentence under the heading ‘Approvals’ which states that “This indicates the introduction of CIL in April 2015 has not undermined affordable housing delivery.” Please comment. In addition, is there any data available for 2015–16?

2. Infrastructure Plan 2016

   i) The table on page 5 sets out a summary of total costs and funding sources for infrastructure. This table in the final line sets out total costs with the figures under ‘Committed Funding’ and ‘Funding Shortfall’ being shown as tbc. Is it intended that these figures will be revised during the course of this Examination, or should I take the figures as being the best available for examination purposes?

3. Typos/errors/omissions

   i) In a representation there is a reference to a typo on page 35 of the Old Kent Road Viability Study 2016 under the heading CIL and S106 (Page 35). It is said that in the fourth line, the year should be 2015 instead of 2011. The forecast figures in my copy of the document are shown as being for 2017. Have I been supplied with a corrected version of the study, or is it an updated version that has been published more recently?

   ii) Another representation makes reference to table 6.10.1, pointing to an error which highlights viable schemes in both columns showing 0% affordable as being unviable. There does appear to be an error in this table: if this is accepted, please supply me with a corrected copy of the table.

   iii) On page 22 of the Viability Study, at paragraph 3.5, the sentence beginning “The Landowner’s “bottom line” is unfinished at “i.e. provides a ......”. Whilst I have an idea of how it should be finished, it would be helpful to be told the final text of the sentence.

   iv) References are made in this document to the Appendices, for example in paragraph 4.2: “Full details of these sites and schemes are set out in Appendix 2.” I have not been supplied with these Appendices.

   v) On Chart 7.6.1, the key does not appear to be entirely accurate in indicting by blue and yellow colouring +10% and -10% in
respect of the CIL element since the values and costs are 10% increases/decreases, whereas the CIL input is £100 per square metre change in CIL up and down and not a percentage.

4. The Draft Charging Schedule

i) In the table of charging rates, the figures given are those that result from the application of uplifts as a result of applying the change in the indices for inflation (as provided for in the Regulations). In the paragraph below the table attention is drawn to the fact that the Council is the designated collecting authority for Mayoral CIL in Southwark. The current charge is noted as £35 per square metre: for accuracy and clarity, should not the current inflation adjusted rate (£43.00 or £44.42) be referred to?

ii) Whilst I appreciate that the Council’s current CIL Charging Schedule has been in place since it was introduced in April 2015, there is an aspect of it that is not compliant with the Regulations, that is repeated in the submitted Draft Charging Schedule. Where charges are to be differentiated by zones, Regulation 12(2) has to be followed. This states: "(2) A draft charging schedule submitted for examination in accordance with section 212 of PA 2008 must contain—
(a) Where a charging authority sets differential rates in accordance with regulation 13(1)(a), a map which—
(i) identifies the location and boundaries of the zones,
(ii) is reproduced from, or based on, an Ordnance Survey map,
(iii) shows National Grid lines and reference numbers, and
(iv) includes an explanation of any symbol or notation which it uses. (emphasis added)"

I am not sure whether the Zone Maps are actually on an OS base, but certainly they do not have grid lines/numbers. I do not regard this as a matter other than about formal compliance, and I am content to leave it for the Council’s consideration.

The only aspect of this matter that I would raise is the extent to which it is possible in some cases to determine which zone any particular property might be in. I appreciate that the Council has an interactive map on its website, which probably deals with the matter satisfactorily: my comment in this regard would be that it might be helpful for a reference and link to the on-line map to be included in the Schedule.

5. Grant funding for affordable housing

i) In one response to a representation, I note that it is stated that the Council has secured £20m of grant for affordable housing from the GLA for the designated Old Kent Road and Peckham housing zone, and that further funding opportunities may also
arise. Please provide further details and an explanation of how this is anticipated to operate in practice.

6. Matters not for the Examination

i) Within the representations are references to developments for student housing and retail development that are not affected by revisions to the charging rates provided for in the submitted Draft Charging Schedule. I take the view that my examination is entirely confined to the proposed changes whereby the whole of the Kent Road Opportunity Area comes with Charge Zone 2. It is therefore my intention not to deal with any matter raised which comes outwith this ambit. This includes references to the increase in rates that are bought about by the uplift due to inflation. Please confirm whether or not the Council agrees with this interpretation.

Terrence Kemmann-Lane
Examiner