

# **Camden Community Infrastructure Levy**

## **Background Information Document**

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## **1. Introduction**

- 1.1 Community Infrastructure Levy (CIL) is a charge enabling Local Authorities to raise funds for infrastructure to meet the needs arising from new developments. The money raised will be used to fund local infrastructure such as schools, community facilities, transport improvements and many other forms of provision some of which are currently funded by monies paid by developers under Section 106 (S106) obligations.
- 1.2 The CIL system was introduced by the Government through the 2008 Planning Act. The detail of how the system should operate is set out in the CIL Regulations which came into force in April 2010, which have subsequently been amended in April 2011, December 2012, April 2013 and February 2014.
- 1.3 The Government has introduced the CIL in an attempt to provide developers with greater certainty about the infrastructure contributions they will be expected to make as a part of the development process. The CIL will apply to most developments which add residential units or 100sqm of floorspace. More information about precisely which developments are CIL liable is on the CIL collection pages on the Camden web site.

## **2 The Process for Adopting a CIL**

- 2.1 Before a CIL can be introduced local authorities must set out their proposed CIL charges in a schedule which sets out how much the CIL will be expressed as a rate per square metre. Different levels can be charged in different areas or for different uses. This must be supported by evidence of infrastructure need including a list of what the CIL might be spent upon to justify charging a CIL. Local authorities must also provide evidence to show that the level of CIL will not deter development nor threaten the delivery of the Development Plan for the area.

- 2.2 All of this information should be subject to two rounds of public consultation. The Preliminary Draft Charging Schedule (PDCS) consultation and the Draft Charging Schedule consultation (DCS) and an Examination in Public.
- 2.3 In setting CIL rates, Regulation 14 of the Community Infrastructure Levy Regulations 2010 (as amended), states that Charging Authorities:
- ‘must strike a balance between’ the desirability of funding infrastructure from CIL and ‘the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area’*
- 2.4 The Government guidance (2014) accompanying the regulations specifies that:
- ‘A charging authority must use ‘appropriate available evidence’ (as defined in the Planning Act 2008 section 211(7A)) to inform their draft charging schedule.*
- and
- ‘charging authorities should show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant Plan and support the development of their area’.*

### **3 Camden CIL Adoption Progress to Date**

- 3.1 Camden consulted on the PDCS between 8 November and 20 December 2012 and the DCS between 20 August 2013 and 1 October 2013. The schedule and supporting documents were submitted for an Examination in Public in early 2014.
- 3.2 The Examiner was of the view that a charging schedule with differential rates of CIL for housing schemes depending on their size was not lawful under the CIL regulations in place at the time that the DCS consultation took place in 2013 and the schedule could not be amended without further public consultation. The Examiner was also

concerned that the nil rate for Gospel Oak might constitute selective assistance.

#### **4 What this Current Consultation Covers**

- 4.1 Camden has decided to withdraw the earlier (August 2013) draft schedule and carry out this consultation on a new schedule to allow Camden's proposals to be considered against the most recent version of the CIL Regulations introduced on 24 February 2014. Regulation 13 (as amended) sets out that a charging authority may set differential rates according to zones, by reference to intended uses, the intended gross internal area of development and by reference to the intended number of dwellings or units to be provided under a planning permission. The nil rate for Gospel Oak has also been removed in recognition of the Examiner's concerns.
- 4.2 The proposed charging schedule remains the same (save for the removal of the Gospel Oak nil rate) but the viability report has been amended slightly to provide a clearer explanation of its conclusions. The other supporting documents such as the funding list and the proposed section 106 policy have been amended slightly to reflect comments received in the last consultation.
- 4.3 This consultation is focused on the charging schedule but comments can be made on the supporting documents such as the funding list or the proposed section 106 policy. If you responded to the previous rounds of consultation (PDCS and/or DCS) on the withdrawn draft charging schedule and you still wish those same and any further representations to be considered you will need to respond afresh to this consultation.

## **5 Assessment of CIL Viability in Camden**

- 5.1 Camden Council appointed GVA Planning Consultants to undertake a viability analysis to justify what level of CIL could be charged in Camden without deterring development from coming forward. GVA tested over twenty common development scenarios that may come forward in Camden which cover a range of different scales and types of development which would need to come forward to deliver the Camden Core Strategy.
- 5.2 These scenarios were derived from looking at past development trends and predicting where development is likely to come forward particularly having regard to the Growth areas identified in the Camden Core Strategy. This information is published as part of Camden's Annual Monitoring Report (AMR) a bulletin extract of which is included in the documents attached to this consultation. The selected scenarios included nine housing schemes ranging from one house to one hundred and fifty flats, mixed use schemes of varying scales, including housing, offices but also some retail, student housing and hotels. Further viability testing carried out in 2013 included a 300 unit scheme and additional student housing scenarios. The scenarios are considered to be a representative sample of development which is likely to come forward in Camden in the near future.
- 5.3 These scenarios have been examined across five different value areas: Central; Zone 1(Kings Cross / Somerstown / Euston); Zone 2 (Camden / Kentish Town); Zone 3 (Highgate / Hampstead); and Zone 4 (West Hampstead). This is because the value of both the existing and the proposed uses on a site are important factors in determining what level of CIL could be charged.
- 5.4 A residual valuation approach has been taken on each development scenario in areas where development is expected to come forward. This takes into account 20% developer's profit, the Mayor's CIL, likely section 106 contributions and affordable housing. These assessments

have used Valuation Office data and benchmarking data from real estate transactions in Camden for each development scenario. The main purpose for doing this is to provide evidence that the proposed level of CIL will not deter development from coming forward in most parts of Camden nor prevent the delivery of the policies in the Local Development Framework.

- 5.5 The viability assessment takes into account Camden's affordable housing policy, mixed use policy and sustainability requirements for both commercial and residential developments the Mayor of London's CIL and future s106 requirements. As a further check the viability assessment has also looked at CIL as a proportion of the development value and costs.
- 5.6 Importantly, the viability testing takes account of the fact the CIL is only charged on the uplift of floor space in a development. Typically in a Central/Inner London Borough such as Camden most development sites contain existing buildings and the increase in floor space on development sites is 60% to 70% of the total amount of floorspace. This will mean that in practice the levels of CIL paid will be less than if the rates in the charging schedule were just applied to the proposed floor space of a development. This will provide a substantial viability buffer for development which will need to pay the CIL. More details of the assessment, the results and conclusions can be found in the GVA viability report.
- 5.7 The analysis identifies the increase in value generated by a development upon which a CIL could be charged. The CIL rates have been derived by looking at the amount of floorspace of different types which comes forward in different developments across Camden and then calculating a potential CIL at a rate per square metre. These different rates are expressed in the charging schedule.
- 5.8 In some of the scenarios tested it is not clear that the proposed developments are shown as not being able to afford a CIL. However

when charging a CIL on the uplift is taken into account it can be seen that in the vast majority of cases CIL would only be a very small proportion (1-5%) of the cost or value of these developments. Therefore it is not considered that CIL will be a significant factor in determining whether these developments are viable and other factors such as changes in development and land values and costs are likely to have a much greater impact.

- 5.9 In addition to the viability study Camden has looked at how future CIL s106 contributions would compare to what has been negotiated in the past through section 106 agreements. Therefore a sample of 30 cases was compiled to compare the levels of future and past planning obligations. Details of these cases can be viewed on the consultation web page.
- 5.10 In some cases once a CIL is introduced the level of contributions developers will be required to make will be higher but there is not a clear trend. This is a reflection of the variety of developments that come forward within Camden and the site specific nature of planning obligations. Generally small sites will pay a higher level of contribution than under the previous s106 system although this will not always be the case.
- 5.11 The impact of these levels of CIL contribution on development viability has been assessed through the scenario testing in the GVA viability study. For the purposes of this assessment it has been assumed that half of the previous negotiated section 106 financial contributions would remain. This was based on looking at past section 106 contributions secured and estimating what would be likely to remain once CIL is introduced or the section 106 system is scaled back. A summary of section 106 activities in the recent past is included in the tables below.



**Table 1. s106 contributions negotiated by type**

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Affordable housing payments in lieu	£1,255,000	£544,517	£65,000	£230,000	£800,000	£3,058,052	£1,484,320
Deferred affordable housing payments*						£2,686,000	£8,003,530
Highways and street works	£2,055,689	£742,979	£1,028,200	£1,132,668	£900,144	£386,908	£1,473,929
School places	£1,233,353	£672,100	£533,312	£693,421	£673,597	£1,314,708	£1,461,182
Other mitigation and environmental works (pedestrian and cycle improvements)	£2,000			£30,000	£3,800,000	£75,000	£180,500
Regeneration	£1,920,000	£25,000	£185,000	£434,579	£711,840	£598,591	£1,127,330
Environmental and open space improvements	£796,621	£326,456	£359,397	£917,889	£517,477	£438,324	£1,122,546
Housing department (Better Homes)					£1,695,000		
Public transport improvements	£35,000	£25,000		£125,000	£1,020,591	£218,900	£630,000
Transport and parking improvements					£512,000	£905,000	£1,446,912
Bond to be held			£1,100,000				
D1 and leisure facilities	£335,000	£25,000	£100,000	£15,030	£114,860	£355,740	
Other public and community facilities	£596,068		£186,000		£41,580	£72,128	£158,270
Community safety	£124,000				£490,000		
Monitoring and other planning costs	£293,865		£10,000	£5,925	£60,000	£9,270	£22,383
Other			£30,000	£109,197		£156,041	
Canal improvements						£100,000	
Regeneration Initiatives	£40,000	£15,000				£10,000	£524,612
Public art				£9,000	£50,000		
Street trees	£12,750			£24,863			
Camden Town TCM						£30,000	
Kilburn TCM	£15,000						
Health care		£14,941					£81,832
<b>Total</b>	<b>£8,714,346</b>	<b>£2,390,993</b>	<b>£3,596,909</b>	<b>£3,727,573</b>	<b>£11,387,088</b>	<b>£10,414,662</b>	<b>£17,717,346</b>

**Table 2. s106 financial activity**

	Opening Balance	Received in Year	Expenditure	Closing Balance
Year	£000s	£000s	£000s	£000s
2001/02	£ 2,368	£ 1,222	£ 595	£ 2,995
2002/03	£ 2,995	£ 3,238	£ 426	£ 5,807
2003/04	£ 5,807	£ 804	£ 1,412	£ 5,199
2004/05	£ 5,199	£ 2,264	£ 1,693	£ 5,770
2005/06	£ 5,770	£ 1,566	£ 915	£ 6,421
2006/07	£ 6,421	£ 3,007	£ 1,582	£ 7,846
2007/08	£ 7,846	£ 8,689	£ 628	£ 15,908
2008/09	£ 15,908	£ 3,547	£ 1,291	£ 18,164
2009/10	£ 18,164	£ 3,216	£ 2,730	£ 18,650
2010/11	£ 18,650	£ 7,025	£ 2,908	£ 22,767
2011/12	£ 22,767	£ 11,180	£ 7,427	£ 26,520
2012/13	£ 26,520	£ 9,561	£ 3,349	£ 32,732

## 6 CIL and Affordable Housing

- 6.1 The viability analysis has assumed that levels of affordable housing have been provided in the development scenarios to meet the targets set out in Camden current affordable housing policy and the rates have been set accordingly. The policy has a 50% target for schemes over 50 units and operates a sliding scale from 10% to 50% for schemes which add between 10 and 50 units.
- 6.2 In some instances lower levels of affordable housing are accepted in line with the criteria set out in the policy such as economic viability or site specific priorities. This allows Camden to respond to the economic realities experienced by developers bringing forward their schemes. In these cases there should still be additional scope for developments to be able to pay the proposed levels of CIL.
- 6.3 Table 3 below sets out the levels of affordable housing which have been secured in recent major development schemes. In some cases there is provision in excess of the numeric policy target but in others there is a lower level of provision to reflect site specific circumstances and the economic viability of specific developments.

**Table 3 Recent planning permissions for major housing schemes**

Borough Reference	Existing Units	Proposed Units	Gain	Total Affordable	% affordable	Permission Date	Start Date
2004/2307/P	74	1,700	1,626	750	44	22/12/2006	27/03/2008
2011/6129/P	0	198	198	53	27	30/03/2012	08/05/2013
2010/6688/P	0	143	143	29	20	11/03/2011	09/01/2012
2004/2311/P	0	132	132	84	64	22/07/2008	
2013/0405/P	0	129	129	34	26	22/03/2013	
2010/5478/P	25	53	28	27	51	11/03/2011	19/01/2012
2012/4628/P	42	170	128	14	8	23/01/2013	
2011/5695/P	0	40	40	0	0	30/03/2012	02/08/2012
2006/0427/P	0	37	37	12	32	05/05/2006	27/03/2007
PEX0100663	0	30	30	0	0	23/06/2003	06/06/2008
2009/2914/P	14	14	0	0	0	15/09/2009	25/06/2010

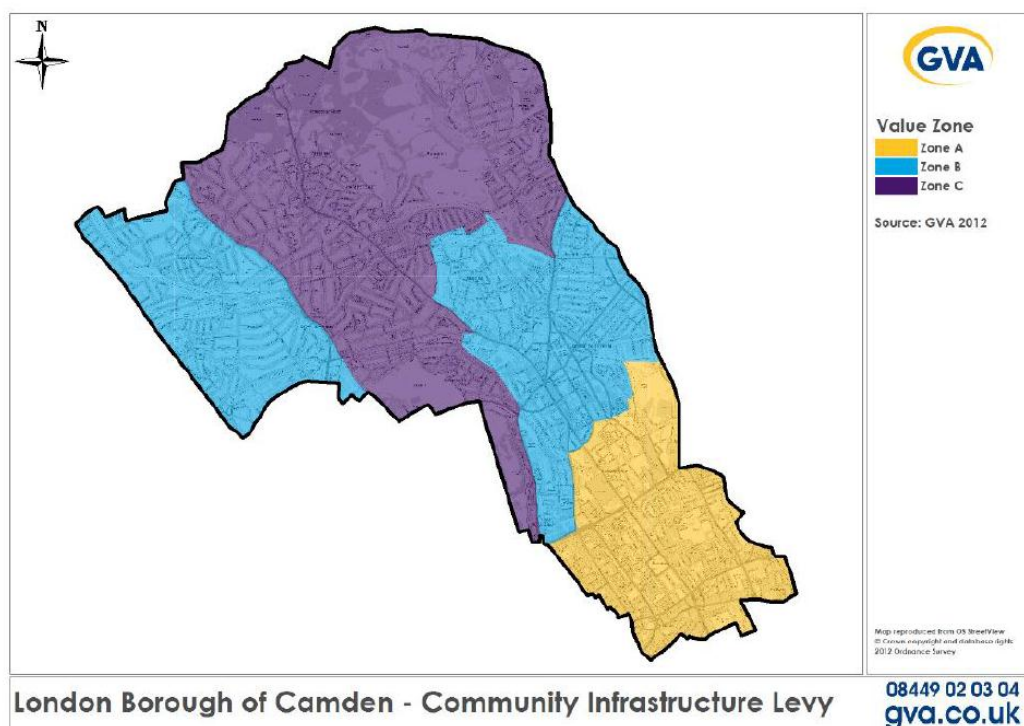
Borough Reference	Existing Units	Proposed Units	Gain	Total Affordable	% affordable	Permission Date	Start Date
2011/0503/P	0	52	52	8	15	28/04/2011	13/06/2012
2011/5977/P	10	36	26	0	0	09/10/2012	
PWX02021030	30	14	14	0	0	06/01/2004	15/12/2008
2010/5725/P	6	28	22	10	36	27/10/2011	
2012/0096/P	74	323	249	133	41	12/07/2012	
2012/5552/P	36	265	229	124	47	22/03/2013	
2012/2089/P	1	80	79	10	13	16/10/2012	16/11/2012
2011/4902/P	0	39	39	20	51	20/12/2011	
2011/2500/P	42	162	120	68	42	29/03/2012	17/01/2011
2012/5934/P	3	91	88	12	13	21/02/2013	
2010/4850/P	23	64	41	36	56	13/12/2010	
2005/4187/P	1	55	54	19	35	10/01/2006	09/09/2008
2010/6873/P	0	55	55	15	27	04/05/2012	
2011/2072/P	0	54	54	13	24	22/09/2011	16/05/2012
2012/0099/P	0	36	36	10	28	12/12/2012	
2010/4616/P	1	35	34	35	100	21/12/2010	22/09/2010
2010/2911/P	0	29	29	29	100	02/09/2010	
2010/6761/P	0	18	18	0	0	26/03/2012	06/08/2012
2012/2222/P	0	18	18	4	22	13/07/2012	
2010/6627/P	1	16	15	5	31	20/03/2012	
2011/0395/P	0	16	16	0	0	01/11/2012	
2012/2578/P	0	16	16	3	19	16/08/2012	27/09/2012
2012/0081/P	0	14	14	1	7	19/04/2012	30/10/2012
2010/5185/P	0	13	13	13	100	23/12/2010	
2012/2045/P	0	13	13	4	31	13/12/2012	
2011/5129/P	0	12	12	1	8	23/12/2011	
PEX0300061	0	12	12	0	0	28/01/2005	18/12/2009
2011/1582/P	18	4	-14	0	0	26/08/2011	

- 6.4 Camden monitors the provision of affordable housing and provides public information on this through its Annual Monitoring Report (AMR). A recent bulletin from the AMR is included as part of this consultation and shows the total levels of housing and affordable housing which has been secured in recent years in Table 4 on that document. In 2012/13 the level of affordable housing was 53% of the total housing completed.
- 6.5 The projected future supply of housing in Camden is also set out in the AMR bulletin in tables 2 and 3 which sets out Camden's longer term housing trajectory and the supply of housing over the next five years. This information shows that in the near future there is likely to be an ample supply of housing which will meet identified targets.
- 6.6 It is not anticipated that the proposed levels of CIL will have a material impact on the delivery of housing and affordable housing across the whole of Camden. This is because the CIL will be such a small proportion of the cost or value as described in section 5 of this report.
- 6.7 Even if the proportion of affordable housing were reduced in particular instances or a small number of developments were deterred from coming forward the projected level of housing delivery is such that the Camden Core strategy is unlikely to be compromised in overall terms. In addition Camden needs to charge a CIL to raise funds for infrastructure to support the growth identified in the Core strategy (more information is contained on section 9 of this report) and the proposed CIL rates are considered to strike an appropriate balance between ensuring housing and infrastructure delivery. The schedule will be reviewed approximately every 3 years to allow this situation to be reassessed.

## 7 CIL Draft Charging Schedule

- 7.1 The Council has considered the findings of the viability assessment and the need to address the estimated infrastructure funding gap in making a balanced judgement on appropriate CIL rates. The approach taken has been in line with the Government Guidance 2014 to keep the rates simple whilst securing an appropriate contribution of funding for local infrastructure made necessary by planned new development.

Type of Development	CIL Tariff per sq m		
	Zone A (central)	Zone B (Rest of Camden)	Zone C (Highgate/Hampstead)
Residential below 10 dwellings (or 1000sqm)	£500	£500	£500
Residential of 10 or more dwellings (or above 1000sqm) and private care residential homes with a degree of self-containment.	£150	£250	£500
Retail (including bar/restaurant/entertainment and other town centre uses)	£25	£25	£25
Office	£45	£25	£25
Student Housing	£175	£400	£400
Hotel (including tourist hostels)	£40	£30	£30
Health, Education, Community meeting spaces, Police, Fire, Water Waste Management and related infrastructure, Care homes with no self-containment subsidized by the public sector	£0	£0	£0
Industry, warehousing, research and development	£0	£0	£0
Other commercial uses	£25	£25	£25



- 7.2 CIL in Camden is generally focused on residential development and a higher rate of CIL is to be charged for schemes under 10 units or 1000sqm. The viability testing demonstrates that these schemes could afford to pay £500 per sqm in locations across Camden and without being deterred from coming forward.
- 7.3 Larger residential schemes, which provide or contribute towards the Council's affordable housing policy, will be charged in accordance with the geographical variations in value. The viability testing has revealed that different levels of CIL could be charged in three distinct zones: Central London, Highgate and Hampstead, and rest of Camden.
- 7.4 A lower level of charge is proposed for commercial uses as the appraisals indicate the values generated by these developments cannot support the same levels of CIL as housing, and, in the Central London where values are higher these developments will have to pay the Mayor of London's Crossrail charge. More explanation of this is given in the viability report.

- 7.5 A zero rate is recommended for community health and education uses which are less viable than other uses and provide forms of infrastructure in their own right. Similarly a zero rate is recommended for industrial/ employment uses. When compared to residential and office and retail these uses are not likely to come forward in significant volumes and therefore do not have the potential to raise much CIL.

## **8 Consideration of Strategic Sites**

- 8.1 During the PDCS consultation concerns were raised on the impact a CIL would have on the development of major strategic sites. The need to consider this has also been raised in guidance issued by the Government since the PDCS consultation.
- 8.2 These concerns have been addressed through further viability testing of 300 residential unit development scenarios. When this is combined with the other viability testing scenarios, it is considered to constitute a reasonable assessment of the vast majority of the development which is predicted to come forward in Camden in the foreseeable future which has not already received planning permission.
- 8.3 Larger scale developments would also be able to make use of Camden's proposed instalments policy for paying the CIL which would assist with development viability. The viability testing has assumed that CIL would be paid in one instalment so the use of an instalments policy will help to make it easier for these developments to pay a CIL. In the case of large scale developments that deliver major strategic infrastructure Camden will consider accepting infrastructure payments in lieu of CIL (see section 14). This is explained in the section below and will assist in the delivery of these major projects.
- 8.4 The assessment of the impact of charging a CIL in the Euston area is difficult because of the Government's proposal to construct a new High Speed Railway (HS2) and expand Euston station. The scheme has yet to receive approval and the scheme design has not yet been finalised. Once the precise nature of the scheme and the implications for



development values and infrastructure funding become clear Camden will review its approach to CIL charging in this area.

- 8.5 To respond to these issues and similar ones potentially raised by other strategic sites, it is proposed to update the Camden CIL charging schedule after 3 years. This would allow the Council to consider an approach towards other strategic sites in growth areas in the light of changing economic circumstances.

## **9 Evidence of Infrastructure Need in Camden and Estimated Future CIL**

- 9.1 Government guidance on CIL charge setting indicates that information on infrastructure needs should, wherever possible, be drawn directly from the infrastructure planning that underpins the Development Plan. An Infrastructure Study was carried out for the Core Strategy of the Camden Local Development Framework in 2010 by URS planning consultants to ensure there was adequate infrastructure within Camden to support new growth.
- 9.2 An update of this was commissioned in early 2012 to identify what the future infrastructure needs in Camden are and projects that CIL funds may contribute towards. Consultation took place with service providers within Camden and also external bodies such as the police and the water authorities. The study looked at a whole range of infrastructure needed under the general headings of social infrastructure (including education, health, sports/leisure, open spaces, libraries, employment training and community facilities), utilities (water energy, telecommunications, sewerage, flood risk, policing, ambulance and fire services) and transport (roads, public realm, walking/cycling provision and public transport).
- 9.3 The infrastructure study by URS gives a broad overview of Camden's infrastructure needs. What is produced in the study is not a definitive list of schemes to be funded through CIL and serves as a justification for introducing a charge at the levels proposed. The study has

considered other funding sources e.g. Government grants, a funding gap of at least £280 million has been identified until 2026. This includes £55-60M for schools, £22M for community facilities, £60M for health, and £140M for transport.

- 9.4 There are many factors which could affect the future levels of CIL which can be collected but an estimate can be derived from looking at the average amount of floorspace which has come forward in CIL chargeable applications over the last five years and multiplying by the proposed CIL rates in charging schedule making adjustments of where we expect the most development to come forward based on the growth areas in the Local Development framework.
- 9.5 Based on the above it could be expected that £8-9 million per year could be raised through a Camden CIL. This would mean that up to £100 million could potentially be raised by 2026 although recent amendments to the CIL regulations allowing for a wider range of exemptions may mean that this figure is lower. Therefore CIL is only likely to make a partial contribution towards future infrastructure funding.

## **10 CIL Funding List**

- 10.1 Whilst the infrastructure study gives an overall picture of infrastructure needs in Camden current Government guidance indicates that charging authorities should set out the types of infrastructure or projects which would be funded through a CIL. Therefore a draft infrastructure list has been drawn up which has been subject to public consultation alongside the (August 2013) earlier draft Charging Schedule (which has now been withdrawn).
- 10.2 The list has been developed so far by Camden identifying the infrastructure projects needed to support new growth from Camden's planned investment programmes where there could be a funding

shortfall and covers areas such as transport, education, community facilities provision, open spaces and sports / leisure.

- 10.3 More local projects have been added to the list as result of earlier consultation on the charging schedule. It is intended to add further projects to this list through engagement with local communities through the neighbourhood planning process. The current funding list identifies £150 million which is needed to help fund projects but this figure is likely to increase once more local projects are identified. When a CIL is adopted Camden will be required to publish the funding list on its website.

## **11 Neighbourhood Planning**

- 11.1 In April 2013, the Government introduced a requirement in the CIL Regulations 2010 (as amended) that CIL Charging Authorities should pass a certain proportion of the CIL collected in an area to parish councils which cover that area where they exist. If a Neighbourhood Plan had been adopted for that area then 25% of the funds should be passed to the parish council and where there is not a plan in place then 15% of the CIL raised in the area can be spent.
- 11.2 There are no parish councils in Camden but the regulations indicate that Camden: 'may use the CIL (15% or 25% of what is collected in an area) to support the development of the relevant area by funding
- (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or
  - (b) anything else that is concerned with addressing the demands that development places on an area.
- 11.3 As part of the DCS (August 2013) consultation Camden asked for views on the types of projects that should be funded through the CIL. Camden will continue to work with local communities to identify more local projects to which the neighbourhood proportion of CIL could be applied. Further consultation with stakeholders and communities will be

carried out before CIL collection commences. It is envisaged that many of these projects should be identified through Neighbourhood Plans.

## **12 Future Relationship between S106 and CIL**

- 12.1 CIL differs fundamentally from Section 106 (S106) in that the funds collected are not ring fenced to a specific development or for the provision of specific infrastructure. The CIL regulations will scale back the scope of section 106 legal agreements, although developers are still required to provide 'on-site' infrastructure needs through Section 106 obligations to mitigate the direct impact of development such as affordable housing, highways works and other non-financial requirements.
- 12.2 After the Council adopts a CIL, it will restrict to pooling a maximum of five contributions from five separate planning obligations. This restriction does not apply for infrastructure provision which cannot be funded by CIL, including affordable housing and non-infrastructure items such as employment and training.
- 12.3 The Government guidance on CIL indicates that local authorities are required to set out how their Section 106 policy will operate alongside CIL in the future. Camden's revised draft section 106 planning guidance is attached to this consultation. The main thrust of the amendments are as follows:
- Non financial obligations will continue to be required by section 106 and site specific financial contributions will be sought where required to mitigate the impact of the development;
  - Infrastructure which does not address the direct impacts of development such as school places or open spaces will transfer over to a CIL;
  - Once a Camden CIL has been introduced S106 will not be able to be negotiated for projects or infrastructure identified in the CIL funding list;

- Up to five contributions towards a type of infrastructure or a project can still be pooled provided that it is clear that they will not be funded through CIL;
- Employment and training initiatives can remain under section 106 provided that they are not used to fund the buildings in which these activities take place.

12.4 In response to comments expressed in the DCS (August 2013) consultation minor changes have been made to the proposed section 106 policy to clarify what might be funded from CIL rather than section 106 in the future.

### 13 Instalments Policy

13.1 The Community Infrastructure Levy Regulations 2010 (as amended) allow CIL charging authorities to put in place policies allowing payment of CIL in several instalments. The Mayor of London currently has an instalment in place. Once Camden introduces its own CIL it will introduce a Camden CIL instalment policy. The proposed instalments policy is set out in the table below:

<b>CIL Liable Amount</b>	<b>Number of Instalments</b>	<b>Payment Periods and Amounts</b>
Any amount less than £500,000	One instalment	- 100% payable within 60 days of the commencement of development.
Amounts equal to more than £500,000 but less than £1,000,000	Two instalments	- £ 500,000 payable within 60 days of commencement of development.  - Balance payable within 120 days of commencement of development.
Amounts equal to or more than £1,000,000 but less than £2,000,000	Three instalments	£ 500,000 payable within 60 days of commencement of development.  -Balance payable in a further two instalments within 120 days and 180 days of commencement of development.
Amounts equal to or more than	Four instalments	- £ 500,000 payable within 60

£2,000,000 but under £4,000,000		<p>days of commencement of development.</p> <p>- Balance payable in a further three instalments within 180, 360 and 540 days of commencement of development.</p>
Amounts equal to or more than £4,000,000	Four instalments	<p>- £ 500,000 payable within 60 days of commencement of development</p> <p>- Balance payable in a further three instalments of equal amount within 360, 540 and 1020 days of development.</p>

## 14 Payment in kind and Infrastructure Payments

- 14.1 The CIL regulations allow collecting authorities to accept land in lieu of a CIL payment. It is not envisaged that Camden will make use of this provision.
- 14.2 The regulations also permit the provision of infrastructure as payment towards a CIL. Camden intends to make use of this power sparingly where it can facilitate the delivery of major strategic infrastructure projects. A policy on this will be published at the time when CIL is adopted.

## 15 Exceptional Circumstances

- 15.1 The CIL regulations allow charging authorities to grant relief from paying CIL where there is a planning obligation attached to a planning permission of an equivalent or greater value and only where it is clear that to do so is not constitute a state aid which is required to be notified and approved by the European Commission.
- 15.2 Camden would only use this power to facilitate the provision of major strategic infrastructure and the 'state aid' restriction effectively rules this out. At present Camden does not intend to offer exceptional circumstances relief.

## **16 Equalities Impact Assessment**

- 16.1 In setting its proposed rates we have undertaken viability research to ensure that the CIL is not set at a rate which will deter the different types of development which occur in Camden from coming forward. Therefore it is not considered that this level of CIL will have a disproportionate impact on any particular group in Camden.
- 16.2 However a meaningful Equalities Impact assessment (EIA) can only be carried once the spending priorities for a Camden CIL have been determined. The EIA will seek to ensure the costs of paying a CIL can be balanced against the benefit of any new infrastructure funded through a CIL. Following the adoption of CIL, an EIA will be prepared to reflect the overall impact of charging a CIL.

## **17 PDCS Consultation**

- 17.1 The first round of public consultation was the PDSC, which was carried out between 08 November and 20 December 2012. Consultees included developers, neighbourhood groups and local businesses and the following methods of consultation were used:
- Public notice in the Camden New Journal;
  - Letter/email notification to the consultees;
  - Information documents and how to respond on the Council's public website;
  - Hard copies of the documents and how to respond in all Camden libraries; and
  - Developer workshop on the 5<sup>th</sup> December 2012.
- 17.2 Thirty five responses were received from a wide range of responders which included developers, statutory and non statutory bodies, individuals and neighbourhood groups. Concerns were raised about the level of the charges and the impact on affordable housing provision and the development of strategic sites, the lack of transparency in how the rates have been arrived at, the lack of explanation of what the CIL



will spent upon and the relationship with section 106 which is now required by recent changes in Government Guidance.

- 17.3 The Council took on board the comments and commissioned GVA to undertake further viability assessment within strategic sites and opportunities as well as undertake further viability assessment on a wider range of sites, particularly larger sites. This was to ensure that Camden's Draft Charging Schedule rates are set at an appropriate level having used appropriate available evidence (Section 211(7A)). Further viability testing on a number of scenarios including nine housing schemes and three hundred units and a wider range of student housing development scenarios was completed in June 2013.

## **18 Draft Charging Schedule Consultation 2013 (Withdrawn)**

- 18.1 The second round of public consultation on the DCS was carried out between 20th August and 01st October 2013. Consultation was similar to the PDCS but involved a developer workshop on 16<sup>th</sup> September and a workshop for neighbourhood forum members on the 25<sup>th</sup> September.
- 18.2 This consultation also included a CIL funding list and a proposed section 106 policy to operate alongside the CIL. The DCS from 2013 has been withdrawn but you can view the documents online on the Camden's CIL web pages.

## **19 Examination in Public**

- 19.1 Once the consultation has finished we will consider responses and make minor changes to the schedule and supporting documents if we consider they are needed. The charging schedule supporting documents and comments received comments will then be submitted for Examination in Public by an Independent Examiner.

- 19.2 If you wish to be heard by the Examiner and advised of the Examiner's recommendations then you will need to request this in your response to the consultation. More details of this are given in the statement of representation documents attached to this consultation.