

## **London Borough of Barking and Dagenham**

### **Community Infrastructure Levy Charging Schedule October 2014**

#### **1. The Charging Authority**

- 1.1 This Community Infrastructure Levy (CIL) Charging Schedule has been published by the London Borough of Barking and Dagenham. The Council will be both a Charging Authority and a Collecting Authority.

#### **2. The date on which the charging schedule was approved** 25 November 2014

#### **3. The date on which the charging schedule takes effect; and** 3 April 2015

#### **4. Statutory Compliance**

- 4.1 The Draft Charging Schedule has been approved for publication at a meeting of the Council's Assembly on 25 November 2014. It is published in accordance with Part 11 of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011), and the Community Infrastructure Levy Regulations 2010 (as amended).

#### **5. Who will pay CIL?**

- 5.1 The charge will be levied on development of more than 100 sq.m of new floor space and those creating 1 or more dwellings even where the floor space is less than 100 sq.m. In principle, this affects all types of development that involve buildings 'into which people normally go'.
- 5.2 Subject to caveats the levy will not be charged on developments that do not involve a net increase in floor space. Therefore sub-divisions of existing dwellings to form other dwellings will not be charged. Structures which are not buildings, or which people do not regularly go into to use will not be liable, in accordance with the CIL regulations as amended. Affordable housing development, development for charitable purposes and self build housing, annexes and extensions will also be exempt in accordance with the regulations.

#### **6 Relief for Exceptional Circumstances**

- 6.1 The London Borough of Barking and Dagenham will make relief available for exceptional circumstances in its area, including Barking Riverside. The power to do this will be activated following the adoption of the Charging Schedule. The regulations on this matter make clear that relief should only be granted in truly 'exceptional circumstances'.

- 6.2 The Council will consider claims for relief on chargeable developments from landowners on a case by case basis, provided the conditions set out in Regulation 55 of the Community Infrastructure Levy Regulations 2010 (as amended) are met:
- a section 106 agreement must exist on the planning permission permitting the chargeable development; and
  - the charging authority must consider that paying the full levy would have an acceptable impact on the development's economic viability; and
  - the relief must not constitute a notifiable state aid.

## **7 When will the levy be collected?**

- 7.1 The levy will become due from the date that a chargeable development is commenced in accordance with the terms of the relevant planning permission.
- 7.2 When planning permission is granted, LBBB will issue a liability notice setting out the amount of the levy that will be due for payment when the development is commenced, the payment procedure and the possible consequences of not following this procedure.
- 7.3 The levy's payment procedures encourage someone to assume liability to pay the levy before development commences. Payments must be made in accordance with the instalment policy published by the Mayor of London. For developments where the CIL payable is £50 - £500,000 the whole amount shall be paid not more than 60 days after commencement of the development. For developments where the CIL payable is £500,000+, developers have the option to make two installment payments:
- The greater of £500,000 or half the value of the total payable amount 60 days after commencement and;
  - The remainder 240 days after commencement.
- 7.4 The responsibility to pay the levy runs with the ownership of land on which the liable development will be situated. That benefit is transferred when the land is sold with planning consent, which also runs with the land. Although ultimate liability rests with the landowner, the regulations recognise that others involved in a development may wish to pay. To allow this, anyone can come forward and assume liability for the development.
- 7.5 There may be circumstances where it will be more desirable for a charging authority to receive land instead of monies. The regulations provide for charging authorities to accept transfers of land as a payment in kind for the whole or part of the levy. This will be subject to negotiation with the Council.

## **8 Evidence for Draft Charging Schedule**

- 8.1 The regulations require the 'Charging Authority' (LBBB) to strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential effect of the imposition of CIL on the economic viability of development across the area.

8.2 Charging authorities are therefore required to prepare evidence about the effect of the levy on economic viability in their area to demonstrate to an independent examiner that their proposed rates strike an appropriate balance.

8.3 The development of the Draft Charging Schedule has been informed by the following pieces of evidence:

- Barking and Dagenham Local Development Framework
- LBBDC Community Infrastructure Plan 2012/13 – 2025/26
- Affordable Housing and Community Infrastructure Levy/S106 Economic Viability Assessment 2011
- CIL Economic Viability Study: Addendum on Retail

### Community Infrastructure Plan

8.4 The Barking and Dagenham Community Infrastructure Plan (CIP) outlines community infrastructure provision across the borough. It is based on the London Plan housing monitoring target of 1,065 homes per year which equates to 14,910 new homes and 36,082 new residents (based on a yield of 2.42 persons per new home). The CIP looks at the impact of growth on education, transport, health, public realm, open space, allotments, leisure, play, children’s centres, cemeteries, libraries, flood defences and mitigation measures, employment and local labour and emergency and essential services

8.5 For each of these it examines:

- Current provision of facilities
- Existing shortfall or surplus
- Projected shortfall or surplus based on the demand from an additional 36,082 residents
- New facilities required to meet new demand
- Costs of meeting new demand
- Potential available funding sources

8.6 The table below summarises the overall requirement for new community infrastructure facilities to 2025, estimated costs and the responsible delivery agencies.

<b>Cost of Community Infrastructure to support growth in Barking and Dagenham to 2025.</b>	
Type of Facility	Existing shortfall
<b>Council’s and Local Education Authority’s Responsibilities</b>	
Education (incl. land for 4 additional primary schools and 2 additional 8FE secondary schools all on confined sites. Also includes 6398 primary school places and 4,570 primary school places)	£147,613,529
Transport (incl. £500m for DLR Extension, £70m for Renwick Road Junction Improvements)	£633,511,000
Public Realm (incl. London Road/North Street Market Square, A406 roundabout, BTC East Street, Street	£2,660,000

Scene Enhancement, Becontree Station Improvements, Creekmouth Industrial Area)	
Open Space (incl. Abbey Green, Mayesbrook Park)	£7,540,000
Allotments (maintenance and creation of allotment space)	£649,476
Leisure (Indoor) (Build and land costs for 2 additional 4 court leisure centres. This assumes Barking Riverside will provide land and building for 8 lane swimming pool)	£4,032,900
Leisure (Outdoor) (additional 17.76 hectares of playing pitches, 1.5 tennis courts, 1 bowling green and upgrading of sports pavilion in eight strategic parks)	£6,814,140
Play (play provision for 5-9 year olds. Under 5s to be provided through S106 agreements (doorstep play)).	£1,049,920
Children's Centres	£5,600,000
Cemeteries	No information
Libraries (Revenue costs for Barking Riverside Library, Ongoing maintenance costs of existing estate)	£3,600,000
Flood Defences (Measures to manage surface water flooding in LBB. Does not include fluvial or tidal flooding)	£56,310,823
Employment and Local Labour (Revenue requirements for Barking Business Centre. Local Labour agreements to be provided through S106 agreements)	£2,600,000
Emergency Services	None.
<b>NHS Outer North East London's responsibilities</b>	
Health (capital requirements for 36,082 people)	£22,144,757
<b>Further Education Provider's Responsibilities</b>	
Further Education	Tbc
<b>Total</b>	<b>£894,126,545</b>

### CIL Economic Viability Assessment 2011

8.7 The Council appointed GVA Grimley in September 2011 to undertake three pieces of work:

- Preparation of a construction cost schedule
- Preparation of a land value appraisal study
- Preparation of an economic viability assessment

In September 2012 further testing was undertaken by GVA on retail development.

8.8 GVA has drawn on both primary and secondary evidence sources in order to test the viability of CIL/S106 and affordable housing delivery in Barking and Dagenham.

8.9 The work has taken the form of quantitative viability testing of a series of possible housing splits, tenure variations and CIL/S106 charging options for a range of types of development in order to identify the levels of viability for future development.

Work has also included extensive discussions with stakeholders including local authority planning officers, local landowners, developers and agents.

- 8.10 GVAs analysis suggests that Barking and Dagenham should adopt three different residential charging zones – a higher one for Barking Town Centre Leftley and Faircross (£70) a medium one for Barking Riverside (£25) and a lower charge for the rest of the borough (£10).
- 8.11 For commercial developments, the viability findings are more varied. Office schemes are unable to make any contribution, whilst retail, private leisure, industrial and waste uses can afford to contribute more. Supermarkets and superstores can afford to make a significant CIL/S106 contribution.
- 8.12 GVAs analysis shows that public health, education and municipal leisure development cannot afford any level of CIL/S106 tariff contribution.
- 8.13 These charges have been set on the basis of the Council continuing without an affordable housing target.

## **9. Proposed CIL Rates and Charging Areas**

- 9.1 Having examined the findings of the evidence base, the Council consider that the most appropriate approach is to have variable rates of CIL by area and use. The proposed areas and charges per square metre are set out in the plans and tables below.

## LBBB Charging Zones – Residential

Zone	LBBB Area	Rates (£ per sq. m.)
1	Barking Town Centre, Leftley and Faircross <sup>1</sup>	£70
2	Barking Riverside <sup>2</sup>	£25
3	Rest of borough <sup>3</sup>	£10

## Differential Rates: intended uses

Use	Rates (£ per sq. m.)
Supermarkets and Superstores of any size <sup>4</sup>	£175
Office (B1a)	Nil
Business (Research and Development - B1b, Light Industry - B1c, General Industrial - B2 and Storage and Distribution - B8)	£5
Municipal Leisure	Nil
Health Development used wholly or mainly for the provision of any publicly funded medical or health services except the use of premises attached to the residence of the consultant or practitioner	Nil
Education Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education	Nil
All other non-residential uses	£10

## **10. How will CIL rates be calculated?**

10.1 CIL will be levied in pounds per square metre of the net additional increase in floor space of any given development. The rate will be calculated based on Regulation 40 - Calculation of chargeable amount, as set out within the Community Infrastructure Levy Regulations 2010 (as amended).

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<sup>1</sup> The area covered by the Barking Town Centre Area Action Plan plus the area bounded by the District Line, Mayesbrook Park and the London Borough of Redbridge including the former University of East London site.

<sup>2</sup> The area covered by the Barking Riverside Key Regeneration Area as shown on the adopted Local Development Framework Proposals Map.

<sup>3</sup> The London Borough of Barking and Dagenham excluding Barking Town Centre, [Leftley and Faircross](#), and Barking Riverside.

<sup>4</sup> Supermarkets: Self-service stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking.

Superstores: Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.

10.2 The chargeable rate will be indexed linked. The index referred to in the calculation formula is the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for November of the preceding year.

## **11. Mayor of London's Crossrail CIL**

11.1 London Boroughs are also required to collect the CIL charged by the Mayor of London. This was implemented 1<sup>st</sup> April 2012. At present the Mayor proposes a CIL **of £20 per sq.m** in Barking and Dagenham.

11.2 The following types of development are exempt:

- Development used wholly or mainly for the provision of any medical or health services except the use of premises attached to the residence of the consultant or practitioner
- Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education