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Date 26 January 2015  
Our ref 12613/04/MH/TN/8224190v1  
Your ref

Dear Ms Rogers

### Royal Borough of Greenwich: CIL Charging Schedule Examination

This Hearing Statement has been prepared by Nathaniel Lichfield & Partners (NLP) on behalf of Cathedral Group Plc. The Hearing Statement relates to **Issue 3: General** and, in particular, to *Question 12 – What is the status of the instalment policy – does it form part of the charging schedule or is it separate and if separate what is its development plan status?*

By way of background to the representations, the Cathedral Group is an active development company within South East London, with a range of projects completed, under development or proposed in the Royal Borough of Greenwich. These include Devonport House, The Movement, the Coronet Cinema, Grove Market, Alcatel-Lucent and Morden Wharf on Greenwich Peninsula.

NLP has previously submitted representations to the previous versions of the emerging CIL Charging Schedule, specifically:

- Draft Charging Schedule (December 2013)
- Draft Charging Schedule (July 2014)
- Submission Draft Charging Schedule (November 2014)

### Instalment Policy and Phasing

The Royal Borough of Greenwich (RBG) CIL Instalment Policy acknowledges that, in accordance with Regulation 69B of CIL Regulations 2010 (as amended), RBG will automatically allow the payments of CIL in instalments according to the total amount of liability.

The Council's Instalment Policy also notes that regulations allow for both detailed and outline planning permissions to be treated as phased developments for the purposes of the levy. This means that each phase would be a separate chargeable development and therefore liable for payment in line with any instalment policy that may be in force.





However, for this to be the case and *"whether the planning authority is willing to accept it"*, the planning permission, whether outline or detailed, must make it clear that the permission is phased. NPPG (para 056 reference ID: 25-056-20140612) states that *"the principle of phased delivery must be apparent from the planning permission"*. Regulation 8 (3A) of the CIL Regulations 2010 (as amended) confirms that where a planning permission is phased, each phase of the development is treated as if it were a separate chargeable development for the purposes of the levy. CIL liability for phased schemes is triggered by approval of reserved matters for each phase. Only the CIL liability for a particular phase is triggered by Reserved Matters approval (or discharge of relevant details required by condition), not the total CIL liability.

Although RBG recognises that the amended CIL Regulation 9(4) now allows for both detailed and outline planning permissions to be treated as phased development for the purpose of the levy – and therefore liable for payments in line with the instalment policy – it should not be left for the Council's discretion and the instalment policy should apply automatically to each separate phase.

The two tables attached at Appendix 1 show the difference that instalment payments will make to ensuring that development viability and long-term delivery of residential schemes within the Borough.

On this basis, the Council's default position should be that, where outline planning permission *expressly* permits development to be implemented in phases, or as otherwise agreed by the Royal Borough of Greenwich, each phase of the development will be treated as a separate chargeable development. The approved instalment policy would then automatically apply to each separate phase of the development and its associated separate chargeable amount in instalments.

We therefore request the following to be acknowledged in the draft Instalments Policy [Submission Reference CE13] by inserting after Table 1:

*"As permitted under Regulation 9(4) of the Community Infrastructure Regulations 2010 (as amended), where outline planning permission which expressly permits development to be implemented in phases, or as agreed by the Royal Borough of Greenwich, each phase of the development will be treated as a separate chargeable development. The approved instalment policy will, therefore, apply to each separate phase of the development and its associated separate chargeable amount."*

We trust that the Examination will recognise the importance of this clarity going forward, avoiding later discretionary review.

Yours sincerely

**Dr Malcolm Hockaday**  
Senior Director





**Nathaniel Lichfield  
& Partners**  
Planning. Design. Economics.

## **Appendix 1 –Examples for Full and Phased CIL Payments**

## Greenwich CIL calculations - 1600 flats @ 75 sqm GIA (120,000 sqm) and 40,000 sqm GIA commercial use

**Assumptions:** Based on the above "mythical" scheme the CIL liability is £8,400,000  
We assume smooth delivery over 8 years

One-off scheme (Full PP) 2015 - 2022

**CIL payments of £4 million and above can be paid in 4 instalments. The following payments are due @ the following set times:**

Year 1 - 2015	2nd month	£ 1 million
	12th month	£2,467,000
Year 2 - 2016	18th month	£2,467,000
	24th month	£2,467,000

(The remaining amount is to be divided into 3 equal amounts i.e. £2,467,000)

**Assumption:**

The overall scheme is liable to £8,400,000 of CIL payment. When divided into Phases, we assume £2,100,000 CIL liability per phase.  
We assume smooth delivery over 8 years for the 4 phases - 2 years for each phase

4 Phases - 4 separate PP (2015 - 2022)

**CIL Payments of £1 million or less than £4 million can be paid in 4 instalments. The following payments are due @ the following set times per phase:**

Phase 1	Year 1	Month 2	£500,000
		Month 6	£533,334
	Year 2	Month 12	£533,334
		Month 18	£533,334
Phase 2	Year 3	Month 26	£500,000
		Month 30	£533,334
	Year 4	Month 36	£533,334
		Month 42	£533,334
Phase 3	Year 5	Month 62	£500,000
		Month 66	£533,334
	Year 6	Month 72	£533,334
		Month 78	£533,334
Phase 4	Year 7	Month 86	£500,000
		Month 90	£533,334
	Year 8	Month 96	£533,334
		Month 102	£533,334

(The remaining amount is to be divided into 3 equal amounts i.e. £533,334)



## Greenwich CIL calculations - 700 flats @ 75 sqm GIA (60,000 sqm) and 20,000 sqm GIA commercial use

### Assumptions:

Based on the above "mythical" scheme the CIL liability is **£3,675,000**  
We assume smooth delivery over **3 years**

### One-off scheme (Full PP)

CIL payments of £1 million but less than £4 million can be paid in 4 instalments. The following payments are due @ the following set times:  
Installments:

Year 1 - 2015	2nd month	£500,000
	6th month	£1,058,334
	12th month	£1,058,334
Year 2 - 2016	18th month	£1,058,334

(The remaining amount is to be divided into 3 equal amounts i.e. **£1,058,334**)

### Assumption:

The overall scheme is liable to £3,675,000 of CIL payment. When divided into Phases, we assume **£918,750** of CIL liability per phase.  
We assume smooth delivery over **6 years for the 3 phases - 2 years** for each phase

### 3 Phases - 3 separate PP

CIL Payments of £500,000 or less than £1 million can be paid in 4 instalments. The following payments are due @ the following set times per phase:  
Installments:

Phase 1	Year 1	Month 2	£250,000
		Month 4	£222,667
		Month 6	£222,667
		Month 8	£222,667
Phase 2	Year 2	Month 14	£250,000
		Month 16	£222,667
		Month 18	£222,667
		Month 22	£222,667
Phase 3	Year 3	Month 26	£250,000
		Month 28	£222,667
		Month 30	£222,667
		Month 32	£222,667

(The remaining amount is to be divided into 3 equal amounts i.e. **£222,667**)