

Royal Borough of Greenwich CIL Draft Charging Schedule Examination

Opening Statement by Royal Borough of Greenwich

4 February 2015

Good morning. On behalf of Royal Borough of Greenwich, I would like to welcome the examiner, participants and observers to this independent examination of our community infrastructure levy draft charging schedule in the magnificent listed building that is Woolwich Town Hall. My name is Clare Loops and I am the Planning Policy Manager for the Royal Borough.

In terms of scene setting, Royal Greenwich is located in south east London, with good access to Central and East London and the City. Royal Greenwich neighbouring and adjacent authorities are the London boroughs of Bexley, Bromley, Lewisham, Southwark, Newham, Tower Hamlets and Barking and Dagenham.

Royal Greenwich covers an area of 4,734 hectares, has a population of approximately 255,000 and over 103,000 households. Royal Greenwich has a very distinct identity, with over eight miles of riverfront, set against the backdrop of historic buildings and majestic parks. Royal Greenwich is in the midst of a significant renewal programme that will benefit all those who live, work, learn and visit here. Three years ago yesterday, to mark the Diamond Jubilee of Elizabeth II, Greenwich was made a Royal Borough, joining just three other boroughs in the country.

Royal Greenwich is a borough of great contrasts, shaped by a history of social and economic change, including industrial decline, unemployment and migration. It is a magnet for tourists from around the world, with internationally-renowned sites such as the Royal Observatory, the Cutty Sark and the O² Arena. Alongside these iconic sites and areas of relative affluence Royal Greenwich also has areas of significant deprivation and this can be seen in records dating back to the early 1800s.

The predominant character of Royal Greenwich as a whole is suburban with typical dwellings being two to four storey in nature, particularly in the south and east, with the main rise in the skyline in the past being the tower blocks and estates of the 1960s. In recent years, Royal Greenwich has undergone significant change and this change continues, due to a need for regeneration and renewal in some areas and a continually growing population.

The northern parts of Royal Greenwich, in particular, have benefited from redevelopment and regeneration and the intensity and level of development along the riverside has led to a number of new tall buildings within these areas that are already built, underway or have planning permission. Woolwich and Greenwich Peninsula, in particular, have seen significant change over recent years and have more changes planned.

There is an up to date Development Plan for the area, including the recently adopted Royal Greenwich Local Plan: Core Strategy with Detailed Policies [LSD1]. The Core Strategy sets out the local strategic framework for development within Royal Greenwich, which includes,

as a supporting document, the Royal Borough's Infrastructure Delivery Plan [LSD2]. The Development Plan also includes the London Plan (2011) as amended and remaining saved sections from the Royal Greenwich Unitary Development Plan that were not superseded by the Core Strategy.

The Royal Borough also has a suite of supplementary planning documents (SPDs), including a Planning Obligations SPD [LSD3], which was adopted in 2008 and currently forms the basis for negotiations with developers for contributions to infrastructure and other requirements resulting from individual schemes. The Royal Greenwich Community Infrastructure Levy will largely replace the Planning Obligations SPD. Accordingly, a new document is currently under preparation, based on the scoping document [CE11], submitted as part of this examination.

Core Strategy policy IM1 Infrastructure provides the local context for the delivery of infrastructure to ensure that new development is sustainable. Supporting paragraph 4.8.8 specifically identifies CIL as a means to ensure developers contribute to the reasonable costs of new services and infrastructure made necessary by their development.

In terms of housing supply, Royal Greenwich continues to work towards its London Plan annual housing supply target of 2,595 homes. In the two most recent years that have been reported (2011/12 and 2012/13), 5,615 net new homes were granted planning permission, an average of 2,807 units a year. In terms of affordable housing provision over the last five years 42% of the housing delivery was affordable with a 63/37 split between social rented and intermediate housing, falling roughly between the Core Strategy requirement for a 70/30 split, and the London Plan requirement for a 60/40 split.

In terms of a five year housing land supply, Royal Greenwich has a projected total supply of 16,259 units, set out at Appendix 9 of the Core Strategy, with the Royal Borough on course to meet its current London Plan target for conventional housing supply of 2,595 homes over the next five years. Even taking account of the increased supply target of 2,685 homes per annum from 2015 being proposed by the Further Alterations to the London Plan, over the five year period the Royal Borough considers itself to be able to meet the revised target.

The Core Strategy identifies six strategic development locations in Royal Greenwich, with the largest housing development sites located in these areas. The Core Strategy also links future development to expected levels of infrastructure provision and this has helped inform the Royal Borough's approach to the Community Infrastructure Levy. A Regulation 123 draft list [CE4] of infrastructure types that may benefit from the proposed levy has also been prepared and submitted as part of this examination, based on the Infrastructure Delivery Plan that supported the Core Strategy.

The Royal Borough has identified the infrastructure funding gap needed to be addressed in part, including by CIL, in order to deliver the Local Plan objectives. It has appointed a consultant, BNP Paribas Real Estate, who is with us today, to carry out the viability testing to help the Royal Borough to establish the CIL rates for Royal Greenwich.

Even taking account of other funding streams, the Royal Borough acknowledges it has a significant infrastructure funding gap of more than £1.59 billion, although the majority of this is from transport infrastructure projects, some of which are of national significance and will

be reliant on the support of the Mayor of London and appropriate funding from central government.

In preparing the draft charging schedule, as required by Regulation 14, the Royal Borough has aimed to strike an appropriate balance in the desire to close this gap on the one hand and ensure new development can continue to take place in a sustainable manner on the other. The levy that the Royal Borough is proposing is not designed to try and meet this funding gap as this would clearly be to the detriment of the viability of development in Royal Greenwich.

The Royal Borough has also aimed to avoid destabilising the current development market in the CIL rates it is proposing to charge. It is also noted that the CIL Regulations effectively prevent the double charging of items on the Regulation 123 list that might be funded from the levy.

The Core Strategy clearly sets out Royal Greenwich's approach to new development and ambitions for the majority of such development to be located in one of six development locations supported by appropriate infrastructure. It is worth noting that there are no strategic sites contained in the Core Strategy, which would need to be tested individually for viability, and if found unviable could threaten the delivery of the Core Strategy.

In setting our proposed rates we have considered the benefits of simplicity over charging a more nuanced or complicated set of rates. Based on the evidence we are proposing four specific categories of rate – these are for specified residential, hotel, student accommodation and larger retail development. All rates are borough-wide.

For residential the proposed levy is for £70 per square metre. Student accommodation is proposed at £65 per square metre. The proposed rate for hotel development is £100 per square metre. For supermarkets and retail warehouses, the rate is proposed at £100 per square metre, with ancillary car parking for retail being zero rated, along with all other types of development. All rates have had regard to London Mayoral CIL of approximately £35 per square metre. Mayoral CIL is currently charged for the Mayoral contributions towards Crossrail.

Since 2011 the Royal Borough has been preparing its evidence to inform a proposed Royal Greenwich CIL. Following informal consultation with key partners and in accordance with the Community Infrastructure Regulations 2010 (as amended), the Royal Borough of Greenwich consulted on its Preliminary Draft Charging Schedule, including supporting documents, between 30 September and 3 December 2013 and its Draft Charging Schedule (DCS) between 14 July and 10 September 2014. A Statement of Modifications to the Draft Charging Schedule was published for consultation between 17 November and 15 December 2014. Representations from the Preliminary and Draft Charging Schedule consultations were given due consideration and changes made prior to submission.

The Royal Borough considers that the available evidence shows that the proposed rates before us today would help to close the infrastructure funding gap without jeopardising the development envisaged by the Local Plan. Moreover the proposed rates *are not set at the margins of viability*. The Royal Borough is confident that the relatively modest charges

involved (particularly when viewed as a proportion of development costs) will not threaten the delivery of the Plan as a whole.

The Royal Borough has considered the overall desirability of CIL. The Royal Borough's view is that there will be a medium and longer term positive benefit to Royal Greenwich from the introduction of CIL assisting the delivery of various types of infrastructure to support sustainable growth. Furthermore if CIL is not introduced, the further scaling back of section 106 planning obligations will reduce the funding available to address infrastructure constraints.

The Royal Borough considers that the submitted Draft Charging Schedule and supporting evidence provide an appropriate base for the collection of the Community Infrastructure Levy in Royal Greenwich.

The draft charging schedule complies with the legal and procedural requirements of the Acts and Regulations. The draft charging schedule has evolved through the statutory stages of preparation with the effective involvement of the public and key stakeholders at all relevant stages. Detailed evidence of how we met these requirements is provided in the submitted Statement of legal compliance [CE10].

After submission of CIL to the Secretary of State, however, a requirement of the CIL Regulation 2010 (as amended) has been missed. As part of its statutory duty, the Royal Borough must give notice of the CIL examination by advertising the details on the Royal Greenwich website; the Royal Borough must notify those who made representations about the draft charging schedule pursuant to regulation 17; those who made representations about modifications to the draft charging schedule pursuant to regulation 21(3); and, the Royal Borough must place an advert in a local newspaper. The statutory duty is triggered by a person requesting to be heard by the examiner.

The Royal Borough has regrettably failed to place an advert in the local newspaper giving notice of the matters of the examination, the matters being the time and place at which the examination is to be held, and the name of the examiner.

Persons who requested to be heard at draft charging schedule stage were:

Barton Wilmore on behalf of Berkley Homes
CGMS on behalf of IKEA
GLA on behalf of the Mayor
Nathaniel Litchfield & Partners on behalf of Peabody Group
Transport for London

Persons who requested to be heard after modification were:

GLA on behalf of the Mayor

The Royal Borough has been in communication with all of the above persons throughout, along with all persons that duly made representations at all stages of the draft charging schedule preparation. They are all aware of the details of the examination and the identity of the Inspector, which is the purpose of the local advert. All those requesting to be heard

are professional corporate bodies with agents acting on their behalf, or the Mayor of London.

Presently, only the agent representing Berkeley Homes maintain their request to be heard. Berkeley Homes are fully aware of the examination; the Royal Borough has been in dialogue with them throughout. The other persons who had originally requested to be heard now feel that they do not need to participate at the hearing sessions and have withdrawn their request, either because Royal Borough has resolved their concerns and statements of common ground have been agreed, or because they now feel that their written representations are adequate to set out their case. All persons making representations and requested to be heard, even if now that request has been withdrawn, have therefore not suffered any prejudice by the Royal Borough not complying with regulation 21(8)(c).

It is clear that the legislative purpose of regulation 21(3) is to make people who have made a request to be heard by the examiner aware of the matters of the examination. It is such requests that trigger this statutory obligation. It is plain that people who have requested to be heard and those who have an interest in the examination (and in the Royal Greenwich CIL) have been involved throughout the process, and the Royal Borough's failure does not prejudice their position. It is submitted that the examination can in such circumstances proceed.

The community infrastructure levy has a key contributory role in delivering the infrastructure necessary to support growth in Royal Greenwich. The Royal Borough welcomes the independent examination of the Draft Charging Schedule focussing on the consideration as to whether the Royal Borough has aimed to strike what - in its view - is an appropriate balance between closing this gap and the potential effects on the viability of development across Royal Greenwich.