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Planning Policy Team
Royal Borough of Greenwich
Directorate of Regeneration Enterprise and Skills
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By email: planning.policy@royalgreenwich.gov.uk

Dear Sir/Madam,

Response to Consultation on CIL Draft Charging Schedule - Thamesmead Waterfront JV

I am writing on behalf of the Thamesmead Waterfront Joint Venture (the "JV"). Formed in 2019, the JV is a unique 50/50 partnership between Peabody – one of the UK's longest-established housing associations – and Lendlease, an industry leader in designing and building sustainable, innovative and thriving places. The partnership shares an aligned overarching vision and values, and a common focus on placemaking, long-term stewardship and socio-economic improvement. The JV will work collaboratively to lead the transformation and delivery of Thamesmead Waterfront over the long term.

At around 100 hectares, Thamesmead Waterfront is a regionally significant development opportunity and the largest strategic site in the Royal Borough of Greenwich. It has the potential to make a significant contribution to meeting the Borough's housing needs and provide a wealth of wider regenerative benefits across the Borough.

As you are aware, the JV has been working with a strategic masterplanning team to better understand the potential and capacity of the Thamesmead Waterfront site. This work has demonstrated that the site has the potential to deliver up to 15,000 new homes, a transformed town centre encompassing a mix of community facilities and retail, commercial and leisure uses, and enhanced green spaces and natural environment.

The JV has responded to the current early stages of the consultation on the new Local Plan and will be responding to the proposed Call for Sites later in the year. In its recent response the JV noted the very significant infrastructure requirements that will be necessary to bring the site forward, including: social infrastructure, green and blue infrastructure, and investment in utilities and transport. This is in addition to a range of planning obligations, notably to provide affordable housing which is a priority for the JV and the Council.

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In this context, the JV's response went on to state:

“It should also be noted that where infrastructure is (rightly) required on site, this can entail strategic sites having significantly higher development costs than are incurred by smaller incremental developments. It will be important to factor this into delivery considerations, and also in how the council applies its Community Infrastructure Levy to such sites.”

We set out below the requirements of the CIL regulations in relation to such strategic sites as part of the charge setting process, and note the current early stage in the Local Plan process. In this context, the JV would request that if the Council is minded to proceed with setting higher CIL rates through the current process, it commits to working with developers of strategic sites to understand the site specific viability challenges and deliverability requirements in the next stage of the Local Plan. This could include considering such costs 'cumulatively' and potentially reviewing the Charging Schedule for those sites to set zero rates, should that be the preferred approach.

Guidance on CIL Setting

Planning Practice Guidance sets out how Local Authorities should go through the process of setting their proposed rates for the Community Infrastructure Levy in their 'Charging Schedule'. This expands on the statutory requirements set out in the Planning Act (2008), Localism Act (2011) and CIL Regulations (2010) as amended.

As a starting point, Charging Schedules should:

*“be consistent with, and support the implementation of, **up-to-date** relevant plans.” (PPG Ref: 25-011-20190901).*

The Royal Greenwich Local Plan: Core Strategy with Detailed Policies was adopted in 2014. It is not therefore up to date.

The London Plan (2021) is also a relevant plan for these purposes, and identifies Opportunity Areas, including Thamesmead and Abbey Wood with an indicative capacity of 8,000 homes and 4,000 jobs.

Although not part of the 'Relevant Plan' there is also a Thamesmead and Abbey Wood Opportunity Area Planning Framework (2021) prepared jointly by the Mayor of London's office (Greater London Authority, GLA), Transport for London (TfL), Royal Borough of Greenwich and London Borough of Bexley. This identifies a 'transport enabled' capacity of 15,500 homes and 8,000 new jobs.

The Council is now in the early stages of its review of its Local Plan (2021 to 2036) which it intends to adopt in 2025. This will include site allocations, including those for the Thamesmead Waterfront site being brought forward by the JV. The Council is reviewing its adopted Charging Schedule in advance



of sufficient detail being available from that Plan to take any detailed emerging policies, including site specific allocations, into account.

In setting its CIL charge an Authority should use appropriate available evidence involving a broad test of viability across the area. (PPG Ref: 25-020-20190901)

However, where there are significant strategic sites which are important to delivery of the 'Relevant Plan' these should be dealt with separately. This can include setting differential rates for development including low or zero rates for sites with low viability (PPG Ref: 25-022-20230104). In particular:

Differential rates for geographic zones can be used across a charging authority's area. Authorities may wish to align zonal rates for strategic development sites. Viability guidance sets out the importance of considering the specific circumstances of strategic sites ('Why should strategic sites be assessed for viability in plan making?'). This includes the potential to undertake site specific viability assessments of sites that are critical to delivering the strategic priorities of the plan.

Charging authorities may want to consider how zonal rates can ensure that the levy compliments plan policies for strategic sites. This may include setting specific rates for strategic sites that reflect the land value uplift their development creates. Low or zero rates may be appropriate where plan policies require significant contributions towards housing or infrastructure through planning obligations and this is evidenced by an assessment of viability. (PPG Ref: 25-026-20190901)

Greenwich Revised Draft Charging Schedule and Viability Update Study (2023)

The Consultation for the Revised Draft Charging Schedule includes the schedule itself and a Viability Study Update.

Proposed residential rates are based on two Zones. Zone 1 is non-contiguous and covers Greenwich Peninsula and Town Centre and Woolwich Town Centre. Zone 2 covers the rest of the Borough.

The Viability Study, which provides the Evidence Base for these proposed rates, identifies the strategic development locations in the Borough (paragraphs 2.58 to 2.64). Paragraph 2.64 specifically refers to the Thamesmead and Abbey Wood Opportunity Area, the OAPF capacity and need for investment in Docklands Light Railway.

This is not however carried forward into the viability assessment itself and the summary of the requirements for assessment set out in paragraph 6.3 does not refer to the extracts from the Guidance referring to strategic sites, which are set out above. Instead, the assessment sets out sales values across broad value zones (Figure 4.3.1) and then applies generic assessments to these areas. It does not include any exceptional costs and Section 106 assumptions are de minimis. Developer profit



assumptions are based on relatively low profit margins, particularly given the current position in the market.

None of the assessments make assumptions about large scale, strategic, multi-phased development with significant up front infrastructure costs as will be the case at Thamesmead Waterfront. The OAPF specifically identifies a range of infrastructure required to achieve the extended housing target including:

- Transport Investment including interim solutions and then the extension of the Docklands Light Railway.
- The creation of new town centres including social infrastructure.
- The provision of creative and cultural uses.
- Investment in heritage assets.
- The provision of economic uses as part of mixed-use development which will have lower development values.
- New and/or expanded education, health, and community facilities and play, sports, and recreation provision.
- Emergency services.
- Energy, environment, and utilities.

Large scale development here will therefore have very different characteristics from the typologies assessed in the viability study, and therefore the Council has not provided 'appropriate available evidence' that proposed CIL rates are appropriate for this location.

We recognise that it is currently difficult for the Council to make such assessments and that sufficient evidence is unlikely to be available until 2024, following the Council's call for sites and Regulation 18 draft Plan. It will be important for the Council to work with site promoters at that stage to ensure that the sites can meet the Local Plan soundness tests, particularly that of 'effectiveness': that it is deliverable over this period.

In the view of the JV, given current market uncertainty, it would be sensible for the Council to delay further work on the Charging Schedule until this information is available. However, if the Council is minded to continue, it would be helpful if it were to commit to undertaking bespoke work in 2024 on the Thamesmead and Abbey Wood Opportunity Area – and any other areas which are strategic to plan delivery, to consider an appropriate approach. This would need to go beyond CIL to consider all obligations cumulatively and in a phased way, and it may then need to inform a review of the rates for the site if, for example, a zero CIL rate were to be set with infrastructure and other obligations secured through a delivery agreement. The JV would be happy to discuss how this could work.



In the meantime, the JV would like to reserve its position to appear at any Examination into the Draft Charging Schedule.

The JV looks forward to engaging with you further on this.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Tom Dobson', written on a light-colored background.

Tom Dobson
Managing Director

cc.
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