

**London Borough of Barking and Dagenham
Community Infrastructure Levy
Draft Charging Schedule
January 2013**

1. The Charging Authority

- 1.1 This Community Infrastructure Levy (CIL) Draft 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

To be completed

3. The date on which the charging schedule takes effect

To be completed

4. Statutory Compliance

- 4.1 The Draft Charging Schedule has been approved for publication at a meeting of the Council's Assembly on (to be completed). 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 by the Community Infrastructure Levy (Amendment) Regulations 2011 and 2012).

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 and development for charitable purposes 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. 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'. The fact that a development might be unviable at the time a planning application is considered is unlikely to constitute an 'exceptional circumstance' in relation to the CIL Regulations as amended.

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, LBBD 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 or, in the case of the Council adopting one, in accordance with the Council's instalment policy. In the absence of no instalment policy being in place by the Mayor of London or the Council, parties liable to pay the levy will always benefit from a 60 day payment window beginning with the commencement date.
- 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' (LBBD) 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
 - LBBD 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.

Cost of Community Infrastructure to support growth in Barking and Dagenham to 2025.	
Type of Facility	Existing shortfall
Council's and Local Education Authority's Responsibilities	
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 Scene Enhancement, Becontree Station Improvements, Creekmouth Industrial Area)	£2,660,000
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 LBBB. 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
NHS Outer North East London's responsibilities	
Health (capital requirements for 36,082 people)	£22,144,757
Further Education Provider's Responsibilities	
Further Education	Tbc
Total	£894,126,545

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 GVA's 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 ¹	£70
2	Barking Riverside ²	£25
3	Rest of borough ³	£10

Differential Rates: intended uses

Use	Rates (£ per sq. m.)
Supermarkets and Superstores of any size ⁴	£175
Office (B1a)	Nil
Business (Research and Development - B1b, Light Industry - B1c, General Industrial - B2 and Storage and Distribution - B8)	£5
Municipal Leisure	Nil

¹ 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.

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

³ The London Borough of Barking and Dagenham excluding Barking Town Centre and Barking Riverside

⁴ 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.

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 and (Amendment) Regulations 2011'.
- 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 1st 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

12. Commenting on the Draft Charging Schedule

- 12.1 This consultation is the Council's second step in preparing a CIL Charging Schedule.
- 12.2 Any person may make representations about the draft charging schedule and that person must be heard before the examiner at the CIL examination if they have requested to do so.
- 12.3 There are a number of ways in which you can make a representation on the Draft Charging Schedule:

Email: planningpolicy@lbbd.gov.uk

Telephone: 020 8724 5274

Fax: 020 8227 3490

Post: Planning Policy Team, London Borough of Barking and Dagenham,
Room 106, Barking Town Hall, 1 Town Square, Barking, IG11 7LU

Your comments should arrive no later than ?????? 2013.

Please note that your comments will be made available as public documents.

13. Next Steps

- 13.1** When the consultation period has ended the Council will send the Draft Charging Schedule, the representations and the other documentation stipulated by the regulations to an examiner for an independent examination. It is anticipated that this will take place in June 2013.