AGENDA ITEM: 16 Pages 85 – 111

Meeting	Cabinet Resources Committee
Date	28 February 2012
Subject	**Community Infrastructure Levy**
Report of	Leader of the Council and Cabinet Member for Resources & Performance
Summary	The Community Infrastructure Levy is a mechanism to replace the use of planning obligation tariffs and to make the process of applying infrastructure funding from new development more flexible and responsive. It requires local authorities to develop a 'charging schedule' that justifies levying standard charges on development that are justified in terms of both the total cost of funding new infrastructure as well as the viability of development.

Officer Contributors	Lucy Shomali – Assistant Director for Strategic Planning and Regeneration Adam Driscoll – Infrastructure Planning and Growth Areas Officer
Status (public or exempt)	Public
Wards affected	All
Enclosures	Appendix A – Preliminary Draft Charging Schedule
For decision by	Cabinet
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

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1. RECOMMENDATIONS

1.1 That the Council move towards adopting a Community Infrastructure Levy and that the Preliminary Draft Charging Schedule (see Appendix 1) be approved for public consultation.

1.2 That progress may continue through the stages of Draft Charging Schedule public consultation, examination of the Draft Charging Schedule and post examination amendments until a final version of the Charging Schedule is ready for adoption by a resolution of the full council.

1.3 That the Director of Environment, Planning and Regeneration be authorised to make any necessary changes to the Preliminary Draft Charging Schedule and its subsequent variants as required to progress through to adoption by a resolution of full council.

2. RELEVANT PREVIOUS DECISIONS

2.1 Cabinet Resources Committee, 19 October 2010 (Decision Item 7) approved the Infrastructure Delivery Plan as part of the Council's evidence base to support the Core Strategy as well as to be used as the basis for developing a Community Infrastructure Levy to replace the use of S106 tariff arrangements.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

3.1 Adoption of a Community Infrastructure Levy supports all three core Council objectives as set out in the Corporate Plan 2011 to 2013 by providing a funding stream to support delivery of community infrastructure.

3.2 The Council's 'Three Strands Approach: Protect, Enhance and Consolidate planned Growth (PECG)' is a key planning and regeneration strategy that requires effective infrastructure planning and funding solutions to have real effect.

4. RISK MANAGEMENT ISSUES

4.1 The Council's preparations for the delivery of CIL have been audited by the CIL Knowledge Partnership (commissioned by the Planning Advisory Service to support national frontrunner local authorities) and found to be sound in all aspects other than the preparation for operational implementation, which is timetabled to commence in October 2011 (whilst the consultation on the Preliminary Draft Charging Schedule is underway). .

4.2 Failure to deliver a Community Infrastructure Levy to replace Planning Obligations tariffs by March 2014 would impact significantly on the Council's ability to fund Education, Libraries and Healthcare infrastructure. Delays to the adoption of a local CIL could impact on the proposed adjustment to support the viability of development within Barnet.

4.3 If the rates of CIL set are too high, then there is a risk that development in the Borough will be stymied, where as if the rates set are too low, then there is a risk that less funds are raised towards supporting the delivery of infrastructure than could otherwise have been achieved and alternative sources of funding will need to be found. Getting this balance right has been a three stage process of firstly getting independent testing of the viability of development and secondly considering the maximum income that could be achieved through a CIL approach focused on maximising income from development and then lastly considering the impact of a maximum charge against the ability to deliver regeneration and other development in the borough, alongside the signals this will send to the local development industry. The assessment of various options for rate-setting has led to selection of a rate that focuses on a locally appropriate balance seeking to support the local development industry to return to growth.

5. EQUALITIES AND DIVERSITY ISSUES

The Community Infrastructure Levy will a contribution towards the funding required to enable delivery of critical and necessary infrastructure projects in Barnet, needed to maintain public services as a result of population change.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 The cost of setting up collection systems and preparing for introduction of a local Community Infrastructure Levy is expected to be up to £179k of capital investment and £231k for operation of systems over the first 3 years; this gives a total cost of £410k.

6.2 This cost will be funded firstly through an administration charge of up to 5% of the total value of the local levy collected in the first three years of its operation and 4% of Mayoral CIL income collected in the first 3 years of its operation; total income is anticipated to be £315k. In order to cover the full cost of setup and operation, £96k of existing s.106 monitoring contributions will be required to supplement this CIL monitoring income, and any cashflow costs can also be met through the monitoring contributions.

6.3 Use of electronic means of communication will be maximised in order to reduce process and production costs.

6.4 All CIL income collected through the operation of Barnet’s Community Infrastructure Levy, except for the monitoring percentage, will be paid into an Infrastructure Reserve held by the Council and utilised to support priority infrastructure projects.

6.5 Decisions on spend priorities will be determined through the usual capital programme processes, but taking into account the community spending priorities identified within the Infrastructure Delivery Plan. The Council’s ‘Regulation 123 list’, the list of projects eligible to be funded using CIL income, will be published online and updated as required to reflect any changes in CIL spending priorities.

7. LEGAL ISSUES

7.1 The Planning Act 2008 made provision for the imposition of a charge to be known as the Community Infrastructure Levy. The Community Infrastructure Regulations that came into effect on 6 April 2010 as amended on 6 April 2011 made first use of those powers by setting out the framework and the detailed provisions for its operation. The formal Guidance was published in March 2010 and provides detail and clarification enabling Local Authorities to set up and adopt a charging schedule.

7.2 Upon formal adoption the Community Infrastructure Levy will become a statutory levy upon local development, and the local authority's permitted rights to secure agreed payments are set out in the 2010 Regulations as amended in April 2011; these include the levying of fines and the ability to instigate criminal proceedings.

8. CONSTITUTIONAL POWERS

8.1 The Council's Constitution in Part 3, Responsibility for Functions, states in paragraph 3.8 the functions delegated to the Cabinet; namely the considering of policy and instigation of new policy.

8.2 The government's formal Guidance on development of Charging Schedules requires that a Local Community Infrastructure Levy is adopted by resolution of full council, meaning the importance of the document is considered similar to a Development Plan Document, despite not being a required part of the Local Development Framework.

9. BACKGROUND INFORMATION

9.1 Purpose of the 'Community Infrastructure Levy' (CIL)

9.1.1 Currently development related infrastructure funding is principally generated from Section 106 contributions, details of the income and its application are reported to this committee, for which the Council currently has around £7m unspent, most of which is already fully allocated to projects, whilst forward projections of existing approved planning permissions anticipate £12m further income in 2011-16.

9.1.2 The current 'tariff' usage of Section 106, however, will be replaced through a new form of charge upon all development to be known as Barnet's 'Community Infrastructure Levy'. This was introduced in the Planning Act 2008 by the previous government and brought into force through formal regulations published on 6 April 2010 and updated on 6 April 2011; it allows councils to charge developers to pay for local infrastructure.

9.1.3 The introduction of the Localism Bill to Parliament 13th December 2010 within the planning and regeneration provision will further amend the Community Infrastructure Levy from June 2012, to give more flexibility to local authorities and their communities to determine what they consider to be the most appropriate balance between ensuring development is viable and infrastructure can be funded, as well as to encourage some of the revenue to be made available for the local community to utilise towards delivering neighbourhood level infrastructure they value. In London this 'meaningful proportion' will likely involve the Council undertaking a survey of residents to analyse their preference in terms of how CIL is applied between different types of infrastructure projects such as Schools, Roads, Community Facilities, Parks and any other category of infrastructure.

9.1.4 The CIL will replace the use of Section 106 for ‘tariff obligations’ with a ‘charging schedule’ identifying the universal CIL rate required to be paid per sqm of new development. The Council has determined to focus on supporting growth in the economy rather than maximising its infrastructure funding to ensure that not only will development remain viable, but that it will be incentivised to come forwards in the current economic climate despite the current difficulty in sales.

9.1.5 From 6th April 2014, CIL will become the only permitted mechanism through which contributions from new development can be legally ‘pooled’ (levied on more than 5 development proposals) for the delivery of required local infrastructure. This means that the introduction of CIL will in particular affect income presently received in relation to Education, Libraries and Healthcare facilities.

9.1.6 The Government views CIL as offering additional benefit to local authorities as funding will be very flexible and could be applied to any capital infrastructure project that is published in the Council’s official list of CIL-related infrastructure (“Regulation 123 list”). This list only needs to be agreed prior to final adoption of a CIL and can be regularly adjusted to account for changes in planned infrastructure delivery through the Capital Programme monitoring function of Cabinet Resources Committee.

9.1.7 A report to assess the economic viability of the various types of development in Barnet was commissioned from BNP Paribas; it offered analysis of the viability of both different types of development and for different areas.

9.1.8 Four ‘rate-setting’ approaches were considered in terms of ensuring the right balance is struck between infrastructure delivery and development viability:

(i) maximum infrastructure income (limit of average development viability),
(ii) maximum viability based on all viable development – low flat rate,
(iii) maximum viability based on residential development – medium flat rate,
(iv) differential rates focused on achieving regeneration scheme viability.

9.1.9 Barnet’s Regeneration Review determined that at the present time and for the short term, up to three years, a single (low) flat rate should be applied to enable development in Barnet to become more viable and thereby facilitate economic growth. This approach follows the successful approach taken by LB Redbridge whose rate has been adopted.

9.1.10 The low flat rate of CIL proposed is £135 /sqm of development, the Preliminary Draft Charging Schedule provides an impacts analysis of this rate and how it compares to existing planning obligation tariffs levied by the Council on different types of residential development. This rate is anticipated to secure an income of £13m, although it is important to note that this full amount may not be collected by April 2016 as it will depend on development commencing. Together with the Mayoral CIL, the combined rate for new development will be £170 /sqm of ‘net additional floorspace’.

9.1.11 The low flat rate compares well compared with other local authorities in London when considered against the aims behind the proposed rate. By April 2012 we expect Sutton, Islington and Camden to have begun the consultation process too, Barnet’s rate has been considered in light of expectations for rate-setting in these boroughs as well:

Local Authority	Progress	Flat rate	Differential rate			
			Residential	Office/ Retail	Industrial	Community
Redbridge	Adopted	£70				
Wandsworth	Examination		£575 & £265 - Nine Elms	£120 ‘met centre’	£120	£120

			£0 - Roehampton £250 – all other residential £0 C1 & C2 uses	£0 elsewhere		
Croydon	Consultation		£120 except for £0 in 'met centre' £0 C1 & C2	£120 'met centre' £0 elsewhere	£120	£120
Brent	Consultation		£200 C3 & C4 £300 student halls	£40 office £80 retail	£0	£5 leisure D2 £0 for D1
Merton	Consultation		£385 Wimbledon £140 Colliers Wood / Raynes Park £42 Mitchum/Morden	£100 retail £0 office	£0	£0
Barnet	Proposed	£135				

9.2 Operation of a local CIL

9.2.1 The charging schedule is required to be formally consulted upon through a 6-week 'Preliminary Draft Charging Schedule' first round of consultation and then a 4-week 'Draft Charging Schedule' second round of consultation ahead of submission to a qualified examiner who will review the Council's charging schedule to check that it is compliant with the legislation, regulations and formal guidance. A copy of the Preliminary Draft Charging Schedule has been attached as Appendix 1 to this report.

9.2.2 It is proposed that the Council consult on the preliminary draft charging schedule in March-April 2012 and undertake the second round of consultation in June 2012 to enable examination to take place in Autumn 2012 and adoption in early 2013 in time to begin charging a local CIL from 1st April 2013.

9.2.3 Development of the Preliminary Draft Charging Schedule, see Appendix A, has followed the recent publication of an update to the Council's Infrastructure Delivery Plan that evidenced an infrastructure funding gap of £88.5m.

9.2.4 Barnet was successful in being selected to be a round 2 national frontrunner for the delivery of its Community Infrastructure Levy and the work undertaken to date, particularly in terms of forward planning infrastructure and funding was acknowledged as an exemplar by the team working for the Planning Advisory Service.

9.2.5 It is proposed that subject to only minor changes being required, that Cabinet permit progress on all stages of implementing a local CIL up to the point of adoption, which according to national guidance must be undertaken by a resolution of a meeting of the full council.

9.3 The London context: accounting for a regional CIL

9.3.1 According to the legislation, Barnet's CIL must account for the viability of development inclusive of top-slicing for the proposed £35 /sqm contribution from all development (except social housing, charities, schools and health facilities) towards the Mayoral CIL. The Mayoral CIL is expected to operate from 1st April 2012.

9.3.2 The Mayor's draft charging schedule examination hearings took place in November 2011 and a decision on the soundness of the charge is pending production of some additional information. The Charging Schedule will allow him to charge for strategic transport infrastructure in London; this will all be directed to support the £300m CIL contribution required by government as part of the Crossrail funding package.

9.4. Barnet's proposed CIL arrangements

9.4.1 In terms of the local context it is clear that only residential, hotel and retail development appear to be sufficiently viable to be delivered in the current market, given the primary need to support economic growth locally, a low flat rate of CIL for all development is proposed to be set to ensure that all development is made more viable.

9.4.2 Certain types of development are exempted from being charged CIL by the Regulations, namely development of:

- gross internal area < $100m^2$; except if it is for one or more additional dwellings.
- where a charitable institution is the owner of the chargeable development and it will be used wholly or mainly for charitable purposes
- all portions of a chargeable development intended for social housing

9.4.3 Regulations also permit relief from the requirement to pay CIL in 'exceptional circumstances' and discretionary relief for 'charitable investments', however it is determined that such options will not be adopted due to them still having an impact on the need for local infrastructure.

9.4.4 To further enable the viability of development to be secured, the Council is currently in discussions with the Mayor of London regarding the potential for putting in place the option for CIL to be paid in instalments instead of as an up front lump sum payment.

9.5 Review of Barnet's Charging Schedule

9.5.1 In Barnet, the decision to set a low flat rate of CIL is intended to focus on the short-term objective of promoting growth through a difficult economic climate. The Regeneration Review recommended that such a rate only operate for 3 years, and therefore if it is charged as proposed from April 2013, then a new rate will need to be consulted upon and adopted to operate from April 2016 if the Council is to continue to strike the right balance between funding infrastructure and supporting delivery of new development.

9.5.2 Secondly to fit with the Infrastructure Delivery Plan operating in 5-year time periods, it is anticipated that the 'charging schedule' should be reviewed anyway in early 2015/16 to enable a new charging schedule to be adopted by April 2016 and thereby account for the next group of infrastructure projects required to be delivered in the 2016-21 period. To enable this to take place it is proposed that completion of an update to the Infrastructure Delivery Plan, including costing for 2016-21, will be required to be in place by April 2015.

10. LIST OF BACKGROUND PAPERS

10.1 If anyone wishes to view the complete Infrastructure Delivery Plan dataset, then they should contact Adam Driscoll on 020 8359 4922.

Legal – CH
Finance – JH / MC

London Borough of Barnet:

Community Infrastructure Levy

Preliminary Draft Charging Schedule

February 2012

Introduction

1.1 Introduction to CIL

1.1.1 This is a consultation document from the London Borough of Barnet ("the Council") as the first step towards setting a local Community Infrastructure Levy ("CIL") under powers set out in Part 11 of the Planning Act 2008 ("the Act"), the CIL Regulations 2010 as amended 2011 ("the Regulations") and informed by 'CIL guidance: charge setting and charging schedule procedures' ("the Guidance"). A June 2012 amendment to the Regulations will account for any agreed amendments relating to introduction of the Localism Bill.

1.1.2 From 1st April 2012, the Mayor of London ("the Mayor") will be charging CIL ("Mayoral CIL") on most development, to help provide £300m towards the cost of delivering the Crossrail project, a strategic priority to support the growth and development in London. All chargeable development in Barnet will pay a flat rate of £35 per m^2. The proposed Barnet CIL rates in this document account for this top-slice within the analysis of the viability evidence.

1.1.3 The London Borough of Barnet intends to set its local CIL as a single flat rate of £135 per square metre of net additional floorspace. By setting it at this rate the Council has ensured that it is a rate affordable for all viable development proposals brought forwards. The Council recognises that this rate will overall secure less income than under planning obligation tariffs, but sees this as its contribution towards ensuring growth in new housing can continue in Barnet. The justification for the Council's proposed CIL rate is set out in section 3 & 4.

1.1.4 The CIL will apply to all 'chargeable development', defined as:

- consisting of buildings usually used by people (but excluding buildings to which people do not usually, or only occasionally, go to inspect machinery or structures such as electricity pylons or substations)
- delivering 100sqm or more of gross internal floorspace or the creation of one additional dwelling, even if the gross internal floorspace is <100sqm.
- floorspace that is not exempted under the Act, the Regulations or for a locally defined reason to be set out in section 4.3 of this document.

1.1.5 The purpose of Barnet's CIL is to secure funding to help address the gap in funding for local infrastructure. The money raised by Barnet's CIL will used to pay for infrastructure needed to support the development of an area. The definition of infrastructure is set out in section 216(2) of the Act and in Barnet's Infrastructure Delivery Plan. Barnet will publish a formal list of the exact infrastructure to be funded from CIL prior to adoption of the charge, as required by Regulation 123.

1.1.6 Details on collection procedures will be published on the Council's website prior to likely commencement of Mayoral CIL charging from 1st April 2011.

2 Process of CIL Adoption

2.1 Timetable for delivery of CIL

2.1.1 Figure 1 shows Barnet's timetable for delivery of CIL, it sets out the likely process allowing sufficient time for consultation, examination and adoption processes, as well as sufficient transition time to ensure the development industry and internal stakeholders are prepared for the system changeover.

Figure 1 – Timetable for the delivery of CIL in Barnet

Stage	Objective	Due date
1. Evidence Preparation	Commission update report to Affordable Housing Viability Appraisal completed March 2010	Jun – Aug 2011
	Anticipated CIL chargeable floorspace projections	Aug – Sep 2011
	Adoption and testing of updated Infrastructure Delivery Plan	Nov - Dec 2011
2. Develop 'Preliminary Draft Charging Schedule' to set out Barnet's CIL policy	Rate-setting and production of PDCS to reflect the evidence	Sep 2011 -Jan 2012
3. Cabinet review of CIL	Approval to take forward the policy proposals for consultation	Feb 2012
4. CIL collection systems setup	Processes in place to enable Mayoral CIL to be collected	Feb-May 2012
5. Preliminary Draft Charging Schedule Consultation	Undertake a 6 week dialogue on local CIL with stakeholders	Mar-Apr 2012
6. Draft Charging Schedule Consultation	Provide 4 week pre-examination final consultation stage	Jun 2012
7. Charging Schedule Examination	Demonstrate soundness of the charging schedule adoption process & related evidence	Sep-Oct 2012
8. Adoption by the Council	Full Council resolution required	Jan 2013
9. Transition Processes	Ensure readiness for decisions on existing applications to be completed ahead of adoption.	Jan-Mar 2013
10. Commencement Date	All planning decisions charged CIL instead of s.106 tariffs.	Apr 2013

2.2 Consultation: Preliminary Draft Charging Schedule

2.2.1 The consultation on this document will take place 19 March 2012 - 30 April 2012. Any responses received after the end of the consultation period will be carried forward to the Draft Charging Schedule Consultation Stage and considered at that time.

2.2.2 The Regulations that set the framework for the Preliminary Draft Charging Schedule Consultation are as follows:

Regulation 15(1) states that *"A charging authority which proposes to issue or revise a charging schedule must prepare a preliminary draft charging schedule for consultation."*

Regulation 15(2-3) states that the Preliminary Draft Charging Schedule (PDCS) must be sent to all the consultation bodies usually consulted in relation to changes in planning policy and the Local Development Framework.

Regulation 15(5) states that *"The charging authority must also invite representations on the preliminary draft from—*

(a) persons who are resident or carrying on business in its area; and

(b) such of the following as the charging authority consider appropriate—

(i) voluntary bodies some or all of whose activities benefit the charging authority's area, and

(ii) bodies which represent the interests of persons carrying on business in the charging authority's area.

Regulation 15(6-7) state that: *"The charging authority must make such arrangements as it considers appropriate for inviting representations under paragraph (5)… [and that] the charging authority must take into account any representations made to it… before it publishes a draft of the charging schedule for examination in accordance with section 212 of the act"*

2.2.3 A letter or email will be sent to all representees and stakeholders listed on the Council's Local Development Framework (LDF) consultation list to inform them of this consultation period on the PDCS and how representations might be made. Notification of the consultation will also be detailed on the 'forward-planning' pages of the Council's website.

2.2.4 Barnet will hold a consultation on the PDCS for 6 weeks in accordance with Paragraph 47 of the Guidance; all responses received will be fully considered and the Council's response will be provided at the Draft Charging Schedule Consultation stage.

2.2.5 Paragraph 45 of the Guidance states that the PDCS should *"go beyond broad proposals for CIL… [that it should be] evidence based and reduce the need for subsequent modifications".* For this reason Chapter 3 of this document sets out the background and evidence compiled to underpin Barnet's proposed CIL rate before setting out how this has informed the Council's decision in order to ensure a suitable balance has been struck between the need to fund infrastructure and ensure development remains viable.

2.2.6 A Developers Forum was held prior to commencement of this consultation to provide the opportunity for questions to be asked and answers given ahead of this first consultation period and essentially to help the local development industry understand what CIL is and how it operates.

2.2.7 Regulations on the Draft Charging Schedule, Examination and Adoption stages of the process will be included within the Draft Charging Schedule.

3 Evidence and Setting the CIL Rate

3.1 The policy context for CIL

3.1.1 The Core Strategy of the Local Development Framework (LDF) in Barnet sets out in paragraph 20.7.2 that Barnet intends to develop a local CIL charging schedule to sit alongside the LDF to, as defined in Policy CS15, to *"support the delivery of infrastructure, facilities and services to meet the needs generated by development and mitigate for the impact of development"*.

3.1.2 The role of the Council as 'charging authority' is defined in the Guidance, but the process through which the local CIL is developed and operates has not been defined and is therefore left to the discretion of the Council:

> *"Section 206 of the Act confers the power to charge CIL on certain bodies known as 'charging authorities'. The charging authority's responsibilities are to:*
>
> - *Prepare and publish a document known as the charging schedule which will set out the rates of CIL that apply in the authority's area. This will involve consultation and independent examination*
> - *Apply the CIL revenue it receives to funding infrastructure to support the development of its area, and;*
> - *Report to the local community on the amount of CIL revenue collected, spent and retained each year."*

3.1.3 This document provides both the justification behind the selected rates of CIL to be levied in Barnet, as well as the processes for its adoption.

3.2 Evidence required to calculate Barnet's CIL rate

3.2.1 Regulation 14 provides a broad framework for the development of the CIL charging schedule, explicitly focusing on the way the balance is determined between the costs of infrastructure and contributions that will be required from individual developments as they come forwards:

> *"in setting rates in a charging schedule, a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between-*
> *(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and*
> *(b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area."*

3.2.2 Regulation 11 defines that the 'relevant evidence' a charging authority should use to guide development of its charging schedule rates is:

> "*evidence that is readily available and which, in the opinion of the charging authority, has informed its preparation of the draft charging schedule".*

3.2.3 This broad framework means that provided the Council gives *"an explanation of how the chargeable amount will be calculated"*, the specific building blocks of that calculation are to be only the evidence considered by the Council to be both readily available and relevant to the process of calculating its CIL rate.

3.2.4 The following sections in this chapter set out the evidence considered to be most relevant to the CIL calculation by the Council.

3.3 A trajectory of consolidated residential growth

3.3.1 Regulation 9 defines "chargeable development" as development for which planning permission is granted by way of general consent, including each separate phase of a phased permission and any permission granted under section 73 of the Town and Country Planning Act.

3.3.2 Whilst Barnet is already London's most populous borough, with 349,800 residents in 2011, it will continue delivering growth that builds on a local population increase of 30,300 (9.5%) since 2001. Figure 2 shows the target of 28,150 new homes meaning Barnet has the fourth highest housing target in London for the period 2011-12 to 2021-22, as set out in the Mayor's Strategic Housing Land Availability Assessment (SHLAA). Of which 15,720 units will be delivered through regeneration areas and 3,200 through the priority estates.

3.3.3 Much of the planned development to March 2016, and almost all of the development in regeneration areas and priority estates, has already been granted planning permission and therefore will not be required to pay CIL if this extant permission is built. However if a new or revised planning application is received for any of these sites, then CIL will be chargeable subject to the exemptions set out in section 4.4 of this document.

3.3.4 Development in Brent Cross Cricklewood, Mill Hill East, Stonegrove and Spur Road Estate, and West Hendon Estate has already been granted planning permission and therefore all the units planned in relation to these sites have been excluded in the calculation of anticipated chargeable floorspace.

Figure 2 – Distribution of Housing Growth up to 2026 as set out in the Core Strategy.

	SOURCE	2011-16	2016-21	2021-26	TOTAL
1	Incremental small housing schemes incorporating windfall allowance	2000	980	980	**3960**
2	non self contained accommodation	635	635	635	**1905**
3	vacant properties	395	395	395	**1185**
4	Total Town Centre sites	520	90	200	**810**
5	Total Other Major sites	1320	20	30	**1370**
6	Priority Housing Estates[1]	1500	1120	580	**3200**
	Regeneration and Development Areas				
	Brent Cross - Cricklewood	0	1800	3300	**5100**
	Mill Hill East AAP	930	1000	200	**2130**
	Colindale AAP	4470	3320	300	**8090**
	North London Business Park / Oakleigh Road South Planning Brief	150	250	0	**400**
7	**Total Regeneration and Development Areas**	5550	6370	3800	**15720**
	Borough Total (sum of 1 to 7)	**11920**	**9610**	**6620**	**28150**

3.3.5 Development in Colindale is being delivered through many different sites, brought together through the Area Action Plan. This plan considers all the potential 10,000 new homes and all associated infrastructure to support these new homes. Approximately 2,500 of these anticipated units currently do not have planning permission. Re-development of both Dollis Valley Estate and Granville Road Estate is currently being planned through a process of competitive dialogue, but neither currently have an extant permission in place. All anticipated private sale units from these three regeneration areas are identified in Appendix 1 which details the anticipated chargeable floorspace expected to come forwards during 2011-16, a total of 34,602 sqm.

3.3.6 Appendix 1 further details the remaining anticipated development across the borough on a ward-by-ward basis. The information is taken from the council's 'Housing Trajectory', which is a living dataset identifying the anticipated completion dates of new units at each known development site in Barnet as well as the potential sites identified in Barnet's SHLAA, this identifies a further 52,163 sqm of chargeable floorspace.

3.3.7 Appendix 1 involves adjustments to ensure accuracy of expected floorspace: (i) expected development, identified through extant planning permissions, is deducted, (ii) the number of approved units is adjusted by the average number of permissions requiring renewal and (iii) the amount of affordable housing expected is removed from the total as social housing is exempted.

3.3.8 Paragraph 5 of the Guidance states that *"CIL will be levied on the gross internal floorspace of the net additional liable development".* The figures for delivery in units are therefore converted to 'floorspace' in m^2 using the London Plan minimum standards per unit. Based on the experience of our development management team, we have assumed the difference between

[1] Excluding Grahame Park, which is included in the Colindale AAP figures.

‘gross’ and ‘net’ additional floorspace is on average 2:1 for small major and minor development and 4:1 for regeneration areas / estate renewal, therefore Column J in Appendix 1 incorporates reductions of 50% and 25% to the estimated ‘gross’ floorspace. Anticipated *“gross internal floorspace of the net additional liable development”* for the 2011-16 period is therefore calculated in Appendix 1 to be 81,181m^2.

3.4 Anticipated levels of commercial growth

3.4.1 The same approach to residential change cannot be used for predicting the level of commercial floorspace likely to be delivered during the period in which CIL will operate; therefore the average historic level of delivery of commercial floorspace as identified through the London Development Database will be used as a prediction for likely future change.

3.4.2 The LDF Annual Monitoring Reports for 2004-10 incorporate information on the total retail, office and industrial floorspace completed in each year. Figure 3 shows the total amount of floorspace delivered through larger schemes (over 100sqm) as well as calculating an average across all these years.

3.4.3 The information does not capture commercial floorspace from developments of less than 100sqm, however this is not a problem as all this floorspace is exempt under Regulation 42, unless part of a mixed use scheme. Commercial floorspace that would be exempted for charitable reasons under Regulation 43 is noted from historic information to be negligible.

3.4.4 The gross anticipated commercial floorspace to be completed in 2011-16 is therefore estimated to be: 20,000m^2 of retail floorspace, 14,000m^2 of office floorspace and 500m^2 of industrial floorspace. This should then be halved to give a ‘net additional’ figure to account for existing floorspace.

3.4.5 Finally, of this anticipated net (non-exempted) commercial floorspace it is estimated that approximately a further 50% will have already received planning permission, a similar proportion as noted in relation to residential development, to give a total net anticipated chargeable floorspace as follows:

- 5,000m^2 retail floorspace
- 3,500m^2 office floorspace
- 175m^2 industrial floorspace

3.4.6 Lastly, given that generally both office and industrial floorspace was found to be ‘unviable’ in the analysis for the updated Viability Appraisal, delivery of either of these types of floorspace is unlikely in the period (unless as replacement for lost uses in mixed schemes and therefore these floorspace should be excluded from any estimation of likely CIL income.

Figure 3 – Historic delivery of commercial floorspace in Barnet

Year of Delivery	Planning application reference	Address of site	Retail A1 - A5	Office B1	Industrial B2 / B8
2004-05	**All completed development**		**15,420m²**	**11,466m²**	**Not measured**
2005-06	**All completed development**		**9,555m²**	**3,509m²**	**Not measured**
2006-07	N/02979AR/03	Summit House, Moon Lane		1,008m²	
2006-07	**All completed development**		**0m²**	**1,008m²**	**0m²**
2007-08	W/00198AK/05	Block A, Former RAF East Camp	2,255m²		
2007-08	**All completed development**		**2,255m²**	**0m²**	**0m²**
2008-09	C/00831AP/06	2 Lyttleton Road		1,056m²	
2008-09	W/00198AG/05	Block B, Former RAF East Camp	1,696m²		
2008-09	**All completed development**		**1,696m²**	**1,056m²**	**0m²**
2009-10	N/13258B/05	Unit 9 Friern Bridge Retail Park			552m²
2009-10	C/01209H/02	Tudor Court R/O Llanvanor Road		2,500m²	
2009-10	C/02905AS/08	1117 Finchley Road, NW11 0QB	445m²	901m²	
2009-10	C/00502E/04	48a Hendon Lane	120m²		
2009-10	**All completed development**		**565m²**	**3,401m²**	**552m²**
2004-10	**Average of all completed developments**		**4,915m²**	**3,407m²**	**138m²**

3.5 Anticipated levels of community use development

3.5.1 There is no information on community use completions to use as the historic level of delivery of non-residential, assembly and leisure and community floorspaces. However, given that the viability of community uses is questioned in the report by BNP Paribas, and furthermore that many of these projects are undertaken by registered charities, it will not be necessary to estimate the total amount of this floorspace likely to be delivered in 2011-16.

3.6 The Infrastructure Funding Gap

3.6.1 Paragraph 12 of the Guidance refers to the fact that *"the charging authority will want to consider what additional infrastructure is needed in its area to support development and what other funding sources are available"*. This in effect requires a calculation of the 'infrastructure funding gap', the total cost of infrastructure less the total available funding from sources other than CIL.

3.6.2 Paragraph 13 of the Guidance then indicates that *"information on a local authority's infrastructure needs should be drawn directly from the planning that underpins their Development Plan"*. Barnet's Infrastructure Delivery Plan (IDP), first adopted in October 2010 and updated and set out in more detail in November 2011, provides the evidence of infrastructure needed to underpin the Core Strategy; defined locally as 'required infrastructure'.

3.6.3 Appendix 1 of the IDP report details all critical and necessary infrastructure projects currently deemed as key to mitigating for the impacts of consolidated growth. The IDP report further sets out the level of preparedness and development of forward-plans for each type of required infrastructure.

3.6.4 Figure 4 of the Council's IDP identified the estimated cost of delivering all infrastructure projects required for the 2011-16 period to be £247m.

3.6.5 Figure 6 of the Council's IDP identified approximately £182.1m in funding towards delivery of the required infrastructure in Barnet leaving a total infrastructure funding gap of £88.5m excluding funding from CIL.

3.6.6 It is recognised in the IDP that a local CIL is likely to only be able to contribute towards addressing part of this infrastructure funding gap. Therefore other approaches to ensuring the IDP is fully deliverable will likely be required.

3.7 The viability of new development

3.7.1 As set out in section 3.2.1. of this document, Regulation 14 requires the authority to aim to strike an appropriate balance between funding infrastructure and the effect of the imposition of CIL on the economic viability of development across its area, Paragraphs 20-30 of the Guidance set out the framework for which the evidence base for testing economic viability must depend. It notes in paragraph 20 that it is likely that charging authorities will need to summarise evidence as to economic viability in a document separate to the charging schedule.

3.7.2 The relevant documents delivered in relation to economic viability of development in Barnet are the Affordable Housing Viability Assessment (AHVA), adopted March 2010 and the associated Update Report in August 2011 which updated and translated the findings of the original report to address the requirements in relation to evidencing area-wide viability for applying a CIL charge to different forms of development. Both documents were completed by BNP Paribas Real Estate; the author is a specialist in providing evidence on development viability.

3.7.3 The AHVA modelled the area-wide impact on development viability around the borough at different densities of development for a variety of scenarios. These included different policy requirements in terms of the percentage of affordable housing, total cost of planning obligations, whether affordable housing grant was provided and different splits between social rented and intermediate tenures. It was found that the imposition of different levels of planning obligations up to £15,000 per unit (equivalent to circa £20,000 CIL charge per private sale unit) had little impact on the viability of development.

3.7.4 The Core Strategy affordable housing policy has been revised to reflect the fact that evidence suggests a maximum of 40% affordable housing is possible in general across sites in Barnet. When the update report for CIL viability was commissioned, the Council had adopted a requirement for a maximum of only 30% affordable housing following a 60% social rented, 40% intermediate tenure split, and recognising no housing grant as available. For this reason the analysis of residential viability with CIL would need to be revised to account for this change if a rate near the limit of viability is proposed.

3.7.5 In terms of retail development, a borough wide assessment of the viability of retail development was undertaken which demonstrates that up to four different rates of significant variation in value could be applied to setting a suitable CIL rates for new development, namely:

New retail development is generally unviable	CIL rate of up to £136 could be applied	CIL rate up to £524 could be applied	CIL rate up to £925 could be applied
NW9 NW4 NW2 EN4 EN5 HA8	N11 N2 N14 N3	N10 N12 NW11	N20 NW7

3.7.6 In terms of office, industrial and community development, the update report identified that in the current period to 2016 it is unlikely that development will be sufficiently viable to come forwards unless part of a mixed-use scheme.

3.7.7 The Council's strategic aim to ensure the introduction of CIL:

(a) simplifies contributions for smaller development schemes, and
(b) aids the process of economic growth and delivery of development,

together mean that just a ***single low flat rate of CIL*** will be applied to all development, this to be set at the rate of the lowest viable form of development, namely retail development in N11, N2 and N14 at ***£135/sqm***.

3.7.8 Almost all the chargeable development is residential floorspace, therefore the viability modelling results for a 40% affordable housing were compared to those for 30% affordable housing and it was noted that a rate of £135/sqm should still not affect overall viability of development.

3.7.9 Together the evidence shows that the level of CIL proposed to be charged on all development is both appropriate and justified in terms of the economic viability of all future development. The rate proposed will not put at serious risk development across the area.

3.8 Administration costs

3.8.1 Regulation 61 and paragraphs 41-44 of the Guidance set out the context relating to the incorporation of a fee towards administration costs within the charging schedule, and how such a fee can also relate towards supporting the set up costs in producing the charging schedule and in developing operational systems for management and collection of CIL.

3.8.2 At the time of writing, the anticipated total start up costs for delivering CIL will be in the region of £179,000 including consultation, examination, IT, viability evidence and the project officer's salary for 22 months covering evidence gathering, charging schedule drafting, consultation, examination and adoption as well as technical implementation stages of the process. The anticipated 3-year revenue cost for the service is likely to be £231,000 allowing for 2x monitoring officers to support the CIL (and planning obligations) processes.

3.8.3 Until the current amendments to the Regulations associated with the Localism Act are adopted, a maximum administrative fee of 5% of CIL income is permissible in relation to payments from this charging schedule. A maximum fee of 4% will apply to the provision of a CIL collection service on behalf of the Mayoral CIL once his charging schedule is adopted.

3.9 Mayoral CIL

3.9.1 Paragraphs 31-33 specifically deal with the situation in London where the Mayor of London can set a rate of CIL. This sets out the obligation to work closely with the Mayor to ensure that the setting and running of a two-tier CIL charging system is arranged so as to set CIL requirements that retain viability across London and by accounting for any existing or proposed rates to be levied by the other party.

3.9.2 At the time of writing, the Mayoral CIL hearings are finished and some follow-up questions are seeking additional evidence from the Mayor. The process to date is expected to confirm a rate of £35 /sqm to be levied on all development in Barnet except education, healthcare and all development exempted by the regulations (social housing and charitable use). It is estimated this rate will bring in an income of £3m for Crossrail during 2011-16.

3.9.3 Once formally approved, the Charging Schedule will sit alongside the Mayor's Spatial Development Strategy (the London Plan), but it will not form part of it. Adoption is expected in early 2012 in sufficient time to begin levying the charge from 1st April 2012.

3.9.4 All evidence of viability to support the Barnet CIL rate-setting process has been calculated on the basis of an assumed £35 /sqm Mayoral rate having already been top-sliced from the total viability of development.

4 Impact Assessment of CIL

4.1 Calculation of the anticipated total CIL income

4.1.1 The potential CIL income from the proposed rates is just less than £13m towards the delivery of required infrastructure in Barnet. Of this total income, 95% will arise from anticipated residential development in 2011-16.

4.1.2 It is clear that CIL income will not fully address the Infrastructure Funding Gap identified in the Infrastructure Delivery Plan, but it provides a 15% contribution towards the identified gap. Charging the maximum CIL possible through differential rates could add as much as £5-8m to the total CIL income, but would result in charging a rate of CIL that would pose additional costs on all development greater than the sum imposed through current S106 tariffs.

4.1.3 It is hoped that in setting up an Infrastructure Reserve, the Council can pool funding for the delivery of required infrastructure in parallel with the merging of the Infrastructure Delivery Plan into the Capital Programme. It is hoped that the flexibility this delivers with funding will mean that the most critical infrastructure can still get underway whilst alternative solutions to a higher rate of CIL can be found to address the remaining infrastructure funding gap.

4.1.4 Sensitivity testing to adjustments in either the residential or retail rates has been undertaken to demonstrate the financial impact of a difference in the CIL rate applied to each type of development. 5%, 10% and 25% adjustments to the CIL rates would have the following financial impacts on the total income likely to be brought in by CIL:

- 5% adjustment to the rate = £650k change in income
- 10% adjustment to the rate = £1.3m change in income
- 25% adjustment to the rate = £3.2m change in income

4.1.5 The sensitivity testing reveals that a 10% adjustment to the rate would not have too significant an impact on the total income compared with the scale of the overall funding gap, however given the low flat level of the rate proposed it is not suggested that any adjustment to the rate is required.

4.1.6 An analysis of the comparative cost of the CIL charge versus the cost of current planning obligation tariffs on a development is provided in Appendix 2. This shows that the proposed rate of CIL will on the whole reduce the cost burden on almost all developments compared to the existing charge applied through ‘planning obligation tariffs’ for Education, Libraries, Healthcare + Monitoring; this is particularly the case for developments of 3+ bedroom properties. The Council views that this reduction will be a positive step to help ensure family homes are deliverable in the current economic situation.

4.2 Exemptions and relief

4.2.1 Regulation 42 sets out that chargeable development will only be liable to pay CIL if on completion of that development the gross internal area of new build or enlargements to an existing building on the relevant land will be less than 100 sqm; except where such development will comprise of one or more additional dwellings.

4.2.2 Regulation 43 sets out that where a charitable institution is the owner of the material interest and the chargeable development will be used wholly or mainly for charitable purposes, it is exempt from CIL liability (applies to only the share of a charge that relates to a charitable institution's sole material interest). Regulations 46-48 govern the operation and processes relating to this charitable relief.

4.2.3 Regulations 49-50 set out that a collecting authority must also give full relief from paying CIL on all portions of a chargeable development that are intended for the purposes of social housing. Regulations 51-54 govern the operation and processes relating to this social housing relief including how the material interest in the land is to be managed around issues of land disposal.

4.2.4 Regulation 55-56 set out the option for a collecting authority to provide discretionary relief in 'exceptional circumstances', specifically these are circumstances where the authority considers <u>all</u> the following requirements have been fully met:

- A planning obligation has been entered into and the total cost of complying with the planning obligation is greater than the total amount of CIL payable in respect of the chargeable development.
- To require payment of the CIL would have an unacceptable impact of the viability of the chargeable development
- It is satisfied that to grant relief would not constitute State aid which is required to be notified to and approved by the European Commission.

The Council will <u>not</u> be making this exceptional circumstances relief available, instead it will deal with specific matters of viability and the cost of delivering site specific planning obligations through the planning obligations process.

4.2.5 Regulation 44 sets out the option for a collecting authority to provide discretionary relief for 'charitable investments', whereby the whole or the greater part of a chargeable development will be held by the owner as an investment from which the profits will be applied for charitable purposes. The Council will not be making available this discretionary relief, and therefore all development for charitable investment purposes will be CIL liable in accordance with a rates set out in this document; this is because all such development will have an impact on the need for local infrastructure.

4.3 Differential rates

4.3.1 Regulation 13 permits the setting of differential rates for different zones in which development will be situated or by reference to different intended uses of development. Paragraphs 34-37 of the Guidance set out that differential rates are options to enable total flexibility of CIL to suit the viability of local development alone.

4.3.2 Despite the viability evidence analysing the possibility for differential rates according to both area and type of development, this is not proposed to be considered at the present time. This is because it is viewed that the current priorities are to create simplicity of CIL charging and to provide support for new development through current challenging economic times.

4.4 Indexation of the levy

4.4.1 Regulation 40 sets out that the calculation of the chargeable amount at the time of agreeing the chargeable rate for a development will incorporate an adjustment to account for the difference between the index figure for the year in which planning permission was granted and the index figure for the year in which the charging schedule took effect.

4.4.2 Regulation 40(7) sets out that the index referred to in 4.5.1 is the All in Tender Price Index produced by the Building Cost Information Service (BCIS) of the Royal Institution of Chartered Surveyors on the 1st November each year.

4.5 Instalments: delivering infrastructure and development

4.5.1 The AHVA has accounted for the ward-level and borough wide viability of development, as appropriate, to ensure that acceptable CIL rates were proposed whilst ensuring development remains deliverable and viable.

4.5.2 But, following on from the approach taken in the Council's 'responding to the recession - interim guidance note', the Council further intends to set in place an instalments policy that will recognise the impact of how the timing of CIL payments affects development viability.

4.5.3 Such an instalments policy is currently in consultation with the Mayor of London to see if there is a possibility of delivering a shared approach.

Appendix 1 – Anticipated regeneration / estate schemes and ward-by-ward total CIL chargeable floorspace 2011-16

a	*b*	*c*	*d*	*e*	*f*	*g*	*h*	*i*	*j*
Ward Name	**Area**	**Estimated total no. units from LDF trajectory**	**No. units with existing permission**	**No. permitted units needing renewal of permission**	**Estimated total units in CIL related schemes**	**Chargeable development (affordable exempted)**	**Average floorspace per unit in the ward**	**Estimated 'gross' chargeable floorspace**	**Estimated 'net' chargeable floorspace**
Source / Assumption used:		**Housing Trajectory (sale units only)**	**Planning App. Information**	**0%**	**(c - d + f)**	**100% or 70%**	**Mean of regen. permissions**	**(g x h)**	**75% of gross floorspace**
Granville Road	Child's Hill	67	0	0	67	67	42	2,830	2,123
Dollis Valley	Underhill	349	0	0	349	349	45	15,740	11,805
West Hendon (Phase 2)	*West Hendon*	*TBC*	*0*	*0*	*TBC*	*TBC*	*TBC*	*0*	*9,959*
Beaufort Park	*Colindale*	*1,706*	*1,706*	*0*	*0*	*0*	*43*	*0*	*0*
Colindale Hospital	*Colindale*	*780*	*726*	*0*	*54*	*38*	*43*	*1,607*	*1,205*
Brent Works	*Colindale*	*104*	*104*	*0*	*0*	*0*	*43*	*0*	*0*
Zenith House	*Colindale*	*309*	*309*	*0*	*0*	*0*	*43*	*0*	*0*
Barnet College	*Colindale*	*426*	*0*	*0*	*426*	*298*	*43*	*12,679*	*9,510*
Subtotal for Colindale:		3521	2845	0	676	473	43	14,286	10,715
								TOTAL:	**34,602**

a	b	c	d	e	f	g	h	i	j	k
Ward Name	Type *(Major/ Minor)*	Estimated total no. units from LDF trajectory	No. units with existing permission	No. permitted units needing renewal of permission	Estimated total units in CIL related schemes	Chargeable development (affordable exempted)	Average floorspace per unit in the ward	Estimated 'gross' chargeable floorspace	Estimated 'net' chargeable floorspace	Total chargeable floorspace per ward
Source / Assumption used:		Housing Trajectory	No. of live permissions	9%	(c - d + f)	70%	Mean of live permissions	(g x h)	50% of gross floorspace	(minor+major)
	Major	186	36	3.24	153.24	107.268	43.28	4642.56	2321.28	
BRUNSWICK PARK	Minor	55	39	3.51	19.51	19.51	43.28	844.39	422.20	2743.48
	Major	86	86	7.74	7.74	5.418	36.47	197.59	98.80	
BURNT OAK	Minor	18	15	1.35	4.35	4.35	36.47	158.64	79.32	178.12
	Major	43	31	2.79	14.79	10.353	42.88	443.94	221.97	
CHILDS HILL	Minor	370	231	20.79	159.79	159.79	42.88	6851.80	3425.90	3647.87
	Major	0	0	0	0	0	42.52	0.00	0.00	
COLINDALE	Minor	14	7	0.63	7.63	7.63	42.52	324.43	162.21	162.21
	Major	0	0	0	0	0	41.51	0.00	0.00	
COPPETTS	Minor	45	35	3.15	13.15	13.15	41.51	545.86	272.93	272.93
	Major	190	12	1.08	179.08	125.356	48.28	6052.19	3026.09	
EAST BARNET	Minor	65	38	3.42	30.42	30.42	48.28	1468.68	734.34	3760.43
	Major	82	0	55	137	95.9	36.93	3541.59	1770.79	
EAST FINCHLEY	Minor	59	45	4.05	18.05	18.05	36.93	666.59	333.29	2104.09
	Major	252	232	20.88	40.88	28.616	45.61	1305.18	652.59	
EDGWARE	Minor	133	62	5.58	76.58	76.58	45.61	3492.81	1746.41	2398.99
	Major	41	41	3.69	3.69	2.583	48.25	124.63	62.31	
FINCHLEY CHURCH END	Minor	225	106	9.54	128.54	128.54	48.25	6202.06	3101.03	3163.34
	Major	18	48	4.32	0	0	64.25	0.00	0.00	
GARDEN SUBURB	Minor	145	68	6.12	83.12	83.12	64.25	5340.46	2670.23	2670.23
	Major	675	76	6.84	605.84	424.088	48.03	20368.95	10184.47	
GOLDERS GREEN	Minor	125	67	6.03	64.03	64.03	48.03	3075.36	1537.68	11722.15

a	b	c	d	e	f	g	h	i	j	k
Ward Name	Type *(Major / Minor)*	Estimated total no. units from LDF trajectory	No. units with existing permission	No. permitted units needing renewal of permission	Estimated total units in CIL related schemes	Chargeable development (affordable exempted)	Average floorspace per unit in the ward	Estimated 'gross' chargeable floorspace	Estimated 'net' chargeable floorspace	Total chargeable floorspace per ward
Source / Assumption used:		**Housing Trajectory**	**No. of live permissions**	**9%**	**(c - d + f)**	**70%**	**Mean of live permissions**	**(g x h)**	**50% of gross floorspace**	**(minor+major)**
HALE	Major	9	0	0	9	6.3	45.65	287.60	143.80	
	Minor	85	55	4.95	34.95	34.95	45.65	1595.47	797.73	941.53
HENDON	Major	175	33	2.97	144.97	101.479	47.5	4820.25	2410.13	
	Minor	294	150	13.5	157.5	157.5	47.5	7481.25	3740.63	6150.75
HIGH BARNET	Major	166	51	4.59	119.59	83.713	47.12	3944.56	1972.28	
	Minor	88	111	9.99	0	0	47.12	0.00	0.00	1972.28
MILL HILL	Major	93	117	10.53	0	0	49.55	0.00	0.00	
	Minor	163	105	9.45	67.45	67.45	49.55	3342.15	1671.07	1671.07
OAKLEIGH	Major	0	0	0	0	0	45.53	0.00	0.00	
	Minor	63	57	5.13	11.13	11.13	45.53	506.75	253.37	253.37
TOTTERIDGE	Major	64	25	2.25	41.25	28.875	58.65	1693.52	846.76	
	Minor	86	50	4.5	40.5	40.5	58.65	2375.33	1187.66	2034.42
UNDERHILL	Major	43	0	0	43	30.1	45.1	1357.51	678.76	
	Minor	60	49	4.41	15.41	15.41	45.1	694.99	347.50	1026.25
WEST FINCHLEY	Major	11	20	1.8	0	0	38.93	0.00	0.00	
	Minor	174	126	11.34	59.34	59.34	38.93	2310.11	1155.05	1155.05
WEST HENDON	Major	0	0	0	0	0	38.74	0.00	0.00	
	Minor	210	104	9.36	115.36	115.36	38.74	4469.05	2234.52	2234.52
WOODHOUSE	Major	82	12	1.08	71.08	49.756	42.24	2101.69	1050.85	
	Minor	133	102	9.18	40.18	40.18	42.24	1697.20	848.60	1899.45
	TOTAL:	**4,826**	**2,442**	**275**	**2,718**	**2,247**	**1,914**	**104,325**	**52,163**	**52,163**

Assumptions:

- 9% of smaller major and minor units need renewal of permission based on statistics from cases in 2010-11. No largescale major sites have been assumed to need renewal of permission due to extant commencement in most cases.
- Small major schemes have been assumed to deliver 30% affordable units, the information on the regeneration schemes only list the private sale units as this specific information is available for each site instead of working on an assumed viable percentage.
- Average floorspace per unit was calculated by comparing existing permissions (either within a ward or across all regeneration schemes) and identifying the percentage of 1-, 2-, 3- and 4+- bed units. The floorspace standards from the London Plan for each sized unit were then applied to these percentages to give a mean floorspace for the 'average' unit within that ward / with regeneration schemes.
- 'Gross' to 'net' floorspace ratios were assumed based on the professional judgement of the Development Management team leaders, based on the average nature of the existing uses that are being converted or demolished as a result of development.

Total anticipated chargeable floorspace:

Anticipated CIL chargeable floorspace from small scale major and minor developments in 2011-16 is: 52,163m^2

Anticipated CIL chargeable floorspace from regeneration and priority estate developments in 2011-16 is: 29,018m^2

Therefore total anticipated chargeable floorspace in 2011-16 is: 81,181m^2

Appendix 2 – Comparison of proposed CIL rate vs. S106 tariffs

Existing S106 tariffs

	1 bed	2 bed	3 bed	4+ bed
Private units				
Education	£741	£2,659	£7,799	£11,949
Libraries	£139	£139	£244	£244
Health	£802	£1,184	£1,682	£2,016
Monitoring	£84	£199	£486	£710
Affordable units				
Education	£386	£3,062	£4,643	£7,987
Libraries	£174	£174	£174	£310
Health	£802	£1,184	£1,682	£2,016
Monitoring	£68	£221	£325	£516

Anticipated future CIL charge (excluding Mayoral CIL)

	1 bed	2 bed	3 bed	4+ bed
Greenfield site ***London plan unit size***	38 sqm	53 sqm	65 sqm	74 sqm
private unit CIL cost	£5,130	£7,155	£8,775	£9,990
Brownfield site ***'Net additional' (50%)***	19 sqm	27 sqm	33 sqm	37 sqm
Private unit CIL cost	£2,565	£3,645	£4,455	£4,995
Largescale site ***'Net additional' (75%)***	29 sqm	40 sqm	49 sqm	56 sqm
Private unit CIL cost	£3,848	£5,366	£6,581	£7,493

**Planning obligation and CIL rates in Scenerio 3 + 4 adjusted to reflect the 'average unit' charge inclusive of affordable housing*

Scenerio 1: (residential scheme <10 units, no affordable)

Greenfield	obligations	CIL rate	Change
1-bed	£1,766	£2,565	£799
2-bed	£4,181	£3,645	-£536
3-bed	£10,211	£4,455	-£5,756
4-bed	£14,919	£4,995	-£9,924

Scenerio 2: (residential scheme <10 units, no affordable)

Brownfield	obligations	CIL rate	Change
1-bed	£1,632	£2,309	£677
2-bed	£4,365	£3,220	-£1,145
3-bed	£8,856	£3,949	-£4,907
4-bed	£13,283	£4,496	-£8,788

Scenerio 3*: (residential scheme >10 units, 40% affordable)

Brownfield	obligations	CIL rate	Change
1-bed	£1,665	£3,591	£1,926
2-bed	£4,319	£5,009	£690
3-bed	£9,195	£6,143	-£3,052
4-bed	£13,692	£6,993	-£6,699

Scenerio 4*: (large / regeneration scheme, 30% affordable, planning obligations = + £5000 extra/unit)

Brownfield	obligations	CIL rate	Change
1-bed	£6,766	£5,130	-£1,636
2-bed	£9,181	£7,155	-£2,026
3-bed	£15,211	£8,775	-£6,436
4-bed	£19,919	£9,990	-£9,929