Report to the London Borough of Camden

by Terrence Kemmann-Lane JP DipTP FRTPI MCMI
an Examiner appointed by the Council

Date: 26 JUNE 2020

PLANNING ACT 2008 (AS AMENDED)
SECTION 212(2)

REPORT ON THE EXAMINATION OF THE LONDON BOROUGH OF CAMDEN COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE PARTIAL REVIEW

Charging Schedule submitted for examination on 19 February 2020

Date of Hearing: 27 May 2020

Non Technical Summary
This report concludes that the London Borough of Camden Community Infrastructure Levy Charging Schedule Partial Review provides an appropriate basis for the collection of the levy in the borough. The proposed rates will not put the majority of developments at risk, and it can be recommended for approval.

Introduction

1. This report contains my assessment of the London Borough of Camden's (LBC) Community Infrastructure Levy (CIL) Partial Review Charging Schedule (PRCS) in terms of Section 212 of the Planning Act 2008. It considers whether the schedule is compliant in legal terms and whether it is economically viable as well as reasonable, realistic and consistent with national guidance (Ministry of Housing, Communities and Local Government Guidance on the Community Infrastructure Levy).

2. To comply with the relevant legislation the local charging authority has to submit a charging schedule that sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across its area.

3. The Council published the draft PRCS, in accordance with Regulation 16 of the CIL Regulations 2010 (as amended), for consultation between 18 October 2019 and 2 December 2019. The submitted version includes minor modifications made subsequent to the consultation on the Draft Charging Schedule. The following is an extract from the Statement of Modifications:

Ref	Minor Modification	Reason for Modification
1	Change rates of all Uses/Tariff Charges (except Office Research and Development and Hotel, Zone A) to reflect current indexation levels (RICS CIL Index/BCIS All-In TPI for Original Charging Schedule Adopted 1st April 2015).	Update indexation to accommodate current market changes.
2	Remove references to Class B1 uses in the newly consolidated Office, Research and Development Tariff Charge.	To simplify the use category of the consolidated Tariff Charge.

4. The submitted PRCS, was the subject of discussion at the hearing held on 27 May 2020. Because of the restrictions made necessary by the Covid-19 pandemic, this hearing was conducted remotely by video link software and was available to view by interested persons.

5. The submitted PRCS is a revision of the schedule that has been in force since the 1 April 2015. The charging rates set out at that time will have increased by virtue of the provision in the Regulations for increases in rates to follow changes in the inflation rate in keeping with the "RICS CIL Index"

published by the Building Cost Information Service (BCIS)[1]. The submission charging levels for residential, retail, student housing and 'other commercial' developments are with the inflation additions at 28 October 2019 (the date that the latest inflation rate was published. Document CED1.13, available on the CIL webpages, shows the evolution of the rates of CIL and comparison between the three different versions of the CIL Charging Schedule at 2015 (currently adopted), 2019 (consultation, 2020 (submission, with latest indexation).

6. For convenience, I set out below the CIL rates now proposed by the Council (the 2020 Rates).

Use	Proposed CIL rate per m^2 (GIA) of development		
	Zone A (Central)	Zone B (Rest of Camden)	Zone C (Highgate, Hampstead)
Residential below 10 dwelling (or 1,000 sq m)	£644		
Residential of 10 or more dwellings (or above 1,000 sq m) and private care residential homes with a degree of self-containment	£193	£322	£644
Retail (including bar / restaurant / entertainment and other town centre uses)	£32		
Offices, Research and Development	£110	£32	
Student Housing	£225	£515	£515
Hotel (including tourist hotels)	£110	£38	£38
Health, Education, Community meeting spaces, Police, Fire, Water Waste Management and related infrastructure, Care homes with no self-containment subsidised by the public sector	£0	£0	£0
Industry, warehousing	£0	£0	£0
Other commercial uses	£32	£32	£32

1 In the calendar year 2020 and subsequently – in preceding years in has been in accordance national All in Tender Price Index, published by BCIS.

Is the charging schedule supported by background documents containing appropriate available evidence?

Does the Infrastructure Delivery Plan support the continued charging of CIL?

7. LBC commissioned an infrastructure study prior to the adoption of the current schedule to demonstrate that there was a need to raise CIL to fund infrastructure to support new development. That study identified a funding gap of at least £280 million until 2026. That included £55-60m for schools, £22m for community facilities, £60m for health, and £140m for transport. During the study period, it was estimated that approximately £100m of CIL might be raised with the current rates. It can be seen that there was a significant infrastructure-funding shortfall, which can only be partially addressed through the CIL.

8. An Infrastructure Study Update, 2015, (Document PCD 2.2) was commissioned to support the introduction of a new Camden Local Plan. This study identified a large number of infrastructure projects in need of funding. LBC has set out a list of the infrastructure it wishes to fund through the CIL in the coming years in a strategic funding list. This is supplemented by local CIL priority funding lists, which identify projects and priorities and for Neighbourhood CIL spending.

9. This study assessed likely growth in the borough from 2015 to 2031 (see Table E-1) and estimated that new development will give rise to approximately 29,300 residents, of whom 6,700 will be age 0-18, and some 46,000 new jobs.

10. Document PCD 2.3 is the CIL Strategic Funding List July 2016. This provides an indication of what strategic infrastructure can be expected to be funded by CIL. Part 2 covers the period 2021 – 2031, setting out the projects that may be funded by strategic CIL in the medium to long term. The indicative funding required shows a total cost of approximately £200m.

11. So far, only approximately £20m of highway and school improvements, and £2.3m of more local projects have been funded. Clearly, there is a demonstrable need to continue to raise CIL at similar levels to the current situation, and a case to increase it to fund the infrastructure needed to support the development of Camden.

Does the economic viability evidence support the proposed levels of CIL?

12. The current LBC CIL rates in its Charging Schedule, implemented on 1 April 2015, are based on evidence gathered in 2012. At that time the residential market had, to a degree, recovered from a deep recession, with sales values increasing significantly from the lowest point in the cycle in June 2009, exceeding the previous peak values of August 2008 in August 2010. It was evident that the residential markets remained sufficiently buoyant with no evidence that the Council’s adopted CIL rates (indexed to current costs) were deterring schemes from coming forward.

13. By contrast, at September 2012, although the B1 office and hotel markets had recovered to a degree from the 2007-2009 recession, they were still

below the values seen prior to 2007. Since then however, the market has seen a marked improvement and in particular, central London has seen significant growth in values and a number of new developments coming forward. The Council has also seen an increase in the number of applications for new B1 use developments, including research and development space. In addition, there has been an increase in applications for hotels within CIL Zone A of the Borough. The market for such commercial uses outside CIL Zone A has remained steady with less of a marked increase in developments coming forward and market movement. Consequently, the adopted CIL rates (indexed to current costs) outside CIL Zone A remain appropriate for offices and hotels, balancing delivery of development and contributions towards infrastructure to support growth.

14. The situation described above prompted the Council to commission BNP Paribas Real Estate to undertake a review of the potential for developments of B1 uses and hotels to accommodate CIL rates in CIL Zone A of the Borough. This review therefore sought to establish whether there is scope for such developments to viably contribute a greater amount than currently charged towards the delivery of necessary supporting infrastructure. The report of this review, Camden Community Infrastructure Levy: Viability Update Study (VUS), September 2019[2], (Document PCD 2.5) accordingly considers the rates adopted in CIL Zone A for B1 uses and hotels in combination with the cumulative impact of the requirements of the Council's adopted Local Plan. This is in line with the National Planning Policy Framework ('NPPF'), National Planning Practice Guidance ('NPPG') and the Local Housing Delivery Group guidance 'Viability Testing Emerging Local Plans: Advice for planning practitioners' (June 2012).

15. The VUS uses a residual valuation method, a standard approach that involves calculating the value of completed development schemes and deducting development costs (construction, fees, finance, sustainability requirements, CIL and other plan policy costs) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides the amount available for site acquisition. A 'Benchmark Land Value' (BLV) is used, being the value above the existing use value a reasonable landowner would accept including a premium as an incentive to sell, to bring the site to market for development.

16. For office use, the key findings of the VUS are that there is an increasing amount of B1(c) Research and Development space coming forward in the Borough, for which there is currently no CIL charge in the adopted charging schedule. Research was undertaken into market evidence for B1(a) Offices and B1(c) Research and Development space. The research, using online sources, did not identify a differential between the two uses in the marketing and letting of such space. Discussions with active local agents identified that in their experience laboratories within Camden are either

[2] I am informed that the research and the drafting of this report dates from February 2019.

treated as ancillary office space and rentalised as such, or are provided on a serviced laboratory basis. In the instances where B1(c) space is offered on a serviced provider basis, the provider tends to be an educational facility who would qualify for charitable relief in the calculation of CIL. Given this position, the VUS recommended that the Council considers consolidating these uses into a single use CIL charge.

17. The majority of this type of development is located within the CIL Zone A, which has seen significant market improvement since 2012. The office market has also matured in the Kings Cross development with space securing tenants such as Google, Louis Vuitton, Universal Music and Havas. There is a considerable amount of consented commercial floorspace that has been built out and there remains a fair amount more in the pipeline still to be delivered. The research into Offices in Zone A has identified that rents for space have risen significantly and yields have sharpened improving the viability of such schemes substantially. The results of the appraisals for offices in Zone A, including Kings Cross, indicate that developments of such uses would be able to absorb a higher CIL rate, amounting to circa 1.5% of development costs, which would allow for a comfortable buffer to account for market changes.

18. The key findings for hotel development are that, as with office development, the hotel market has improved significantly since the last charging schedule was assessed and adopted. This has been reflected in the significant number of applications for hotel developments and schemes having come forward in Zone A. The results of the hotel appraisals indicate that developments of such uses would be able to absorb a higher CIL rate, amounting to circa 1.6% of development costs, whilst allowing for a buffer from the maximum rate.

My conclusions

19. The PRCS is supported by evidence of community infrastructure needs and a continuing need to charge CIL is identified. I am satisfied that the VUS follows good and accepted practice and there is evidence for the various inputs used and adequate headroom is allowed for. The appraisals do not discount existing floorspace, which in the majority of cases should afford a significant additional buffer. Also, the cost of Mayoral CIL (MCIL2) is accounted for. I conclude that the PRCS is supported by satisfactory evidence of the costs of infrastructure and viability evidence, and that these background documents contain appropriate available evidence.

Are the charging rates informed by and consistent with the evidence?

20. Bearing in mind the conclusions reached in the VUS, referred to at paragraph 17 and 18 above, and that this examination follows some 5 years after the previous examination report, it is perhaps not surprising that there were few consultation responses that objected to the charging rates proposed in this partial review.

21. There were in fact 4 representations that sought to challenge the charging rates although, of these, 2 effectively were proposing a change in charge

zones (one through introducing a nil rate for a particular development). Two challenged the charge for a particular use.

The rate for offices

22. Derwent London is a specialist office property regenerator and investor that owns the Network Building located at 95-100 Tottenham Court Road. Discussions are on-going with LBC regarding a mixed-use development with a significant office and retail floorspace. As the site is in Zone A, the office charge is proposed to increase from £45 to £110 psm. It is contended that this increase will make the scheme less tenable. It notes that the VUS refers to market improvements since September 2012, the original viability study, but there is no reference to the viability study addendum prepared to update the cost and value input to Q3 2014.

23. It points to Figure 2.16.1 'London office market rents' in the VUS which, it suggests, shows that since Q3 2014, West End office rents have actually reduced. Similarly, Figure 2.16.2 'London Office markets yields' shows that yields have been relatively static. In addition, it says that build costs have increased, with the BCIS showing a 13.56% increase since Q3 2014; that there is no justification for the assumption that existing floorspace is 50% of the size of the new development; and the assumption about "modest" refurbishment that an existing landowner might undertake ignores the likelihood of a more comprehensive refurbishment to secure a higher rent and a tenant of better covenant strength. In respect of the build cost assumptions particularly, evidence exists based on recent development, but for confidentiality reasons it is not possible to disclose the relevant information.

24. Derwent also has a concern about the allowance made in the VUS for the policy H2 contribution towards self-contained housing in mixed-use developments (£215 psm, VUS paragraph 4.14). It seeks further analysis to show how this is justified, but in any event, it contends that the increase in office rate is not supported by the evidence.

25. In response, LBC points out that the proposed office charge is a small increase above the current charge when indexed, amounting to an increase of circa 0.7% of development costs, and is unlikely to have a significant impact. It also points out that neighbouring boroughs directly adjacent to the area in question have office charges similar or above, when indexed, to those proposed by LBC. In respect of the 2 GVA reports of 2012 and 2014, the latter simply showed that the market had improved and the rates proposed (based on the 2012 study) were more affordable. As to rents and yields over time, in the Document CED 1.8 (page 8) a table sets out a comparison in the rents and yields identified in the 3 GVA reports and the 2019 VUS, which shows an improving position over the 2012 and 2014 GVA assumptions[3].

[3] Note: Zone A in the current charging schedule consist of Zone Central and Zone 1 in the GVA assessments.

26. With regard to the percentage of existing floorspace on development sites, LBC states that the average of new floorspace is circa 40% to 50%: sensitivity testing where 40% of new floorspace is delivered shows a reduction in viability, but the rate of £110 can still be accommodated by a large majority of schemes as demonstrated in Appendix 1[4] to the response in document CED 1.8. With regard to the point about a Policy H2 contribution, Appendix 2 to the LBC's response is sensitivity testing of on-site self-contained residential in commercial schemes. This shows that the proposed rate of £110 psm will not significantly impact on the delivery of such sites. As to construction costs, BCIS data, rebased for Camden, has been used and no contrary evidence has been given.

My conclusions

27. The representation indicated that this revision to the office charge is a sudden increase from £45 to £110 psm, whereas of course, the charge has been increasing each year in line with indexation. Similarly, it criticises the VUS for its reliance on the 2012 study, and for ignoring the 2014 study addendum. However, it was the 2012 study that the current CIL charges were based upon, and the table referred to in paragraph 25 above appears to support an improving position. The representation includes a number of criticisms of the appraisals that underlie the proposed office rate, but no evidence is provided to substantiate the concerns expressed. I therefore conclude that the evidence base for the proposed rate for offices, research and development is sound enough to give assurance that the proposed rate will not put such development in general at risk within Zone A. There is no compelling evidence to persuade me otherwise.

The rate for hotels

28. Against the background referred to at paragraph 13 above, the rate for hotel development in Zone A is proposed to increase from £40 (circa £50 when indexed to present charge) to £110 – zones B and C remaining at the 2015 rate indexed to the present. This increase is challenged on the basis that a CIL rate should not be appraised on the basis of a single hotel development, and that the data does not appear to relate to the hotel scheme used, stated to be Travelodge Kings Cross. In particular capital value, base construction costs and benchmark land value assumptions are disputed. Subsequently LBC confirmed that the appraisal was based on Travelodge Central Euston, and data on 3 other hotels was provided.

29. The measure of capital value used is value per room. Once the confusion over the reference hotel development is removed, the capital value in the VUS is £266,666 per room (Table 4.19.1), which appears to be a correct calculation based on the number of bedrooms and the selling price (mid-2018) of Travelodge Central Euston instead of Kings Cross. For Travelodge it is said that Travelodge Kings Cross is 140 bedrooms, not 72 quoted in

[4] Appendices 1 and 2 referred to here are listed on the webpage as Appendices to CED.1.8 CIL Review Consultation Response Table under the list of Core Examination Documents

Document CED 1.8, meaning that at the sale price quoted of £36.3m, the value per room was circa £259,300. Bearing in mind that I am told that this development involved conversion and extension of a listed building, this figure may not be typical, but it is reasonably close to the figure used in the VUS appraisal. I have no other data on capital value before me – the other 2 hotel developments quoted in CED 1.8 being criticised as not being comparables. On this basis, the capital value used may be on the high side, but see my final conclusion on this issue.

30. In respect of construction costs, it is contended that the costs adopted are fundamentally too low. The VUS adopted construction costs from the RICS BCIS database, rebased to reflect the circumstances in LBC. The quantity surveyors for Travelodge, Wakemans, have viewed the BCIS under their reference 853 for hotels. It contends that this information is not representative, as there are only 15 datasets uploaded since 2012 of which only two are in London and one of these is a refurbishment. The remaining London site was constructed in 2012 so will not have the impact of any Building Regulation changes or the London Plan, and will need to be adjusted for inflation. The BCIS are also backward looking indices that will not reflect the impact of the new Draft London Plan or Regulation changes that the Government have intimated will be introduced in May 2020.

31. Wakemans hold tender information for the majority of new London Travelodge hotels, but for reasons of confidentiality are unable to share this publicly as there are individual developers involved for each site. However, the costs are significantly higher than the £63,000 quoted on behalf of LBC, typically ranging from £80,000 to £90,000 for medium sized schemes of around 150 bedrooms. The costs of £63,000 per bedroom quoted is very much closer to the construction cost of a three-storey hotel with standard pitched roof located on a cleared open site outside of London. Such a construction cost is simply not appropriate for an urban development scheme in Central London, with all the complexities and policy requirements involved.

My conclusions

32. It appears to me that the BCIS data on hotels development needs to be viewed with considerable caution. At the hearing I sought views about this, and my view was reinforced as I was told that there are relatively few inputs to BCIS from quantity surveyors owing to a different market regime now, and it is not as useful a guide as it once was. Whilst the evidence of Wakemans could not be made public in detail, bearing in mind the RICS Practice Statement PS2, governing members giving expert evidence, states that their overriding duty as an expert witness is to the tribunal to which the expert evidence is given, and that this duty overrides any contractual duty to their client, I consider that I am able to give Wakemans' evidence weight. For these reasons, I consider that the construction costs used in the VUS are not as robust as might be expected.

33. Turning to benchmark land values (BLV), the criticism is that the values established have a huge variation, with the outcome (VUS paragraph 6.15) of the hotel development appraisals for Zone A suggesting a maximum charge of between nil and £1,246 psm. The range of values for BLV used in

the appraisals reflects a difference across the zone, but the important point is that some schemes will not be viable on sites with more valuable existing uses: it will be market factors, not CIL, that will be the determining factor in a development's viability.

34. In conclusion, I have found that the capital value used may be on the high side, that constructions costs based on BCIS data are not sufficiently reliable with regard to hotel development, and therefore the figures used in the appraisals are likely to be low. As far as the BLVs are concerned, I regard the appraisals as satisfactorily reflecting the circumstances in this part of the borough. My overall conclusion on the representation is that, whilst there are justifiable questions raised and some of the inputs are debateable, the outcome of the Study in respect of hotels is satisfactory. This is because of the buffer that has been allowed from the maximum charge that the appraisals suggest, and the fact that no account has been taken in the appraisals of the existing floorspace that will be deducted from the gross floorspace when the charge is computed. In a densely developed borough such as Camden, I am satisfied that the explicit buffer and the existing floorspace discount provide the reassurance that the proposed rate is reasonable and will not generally put hotel development at risk in terms of viability. This conclusion is reinforced by the percentage of hotel development costs that the revised CIL charge represents, which is unlikely to be decisive in decisions about the viability of a scheme.

35. I should add that, at the hearing I sought views on how the future market for hotel development might look in the immediate aftermath of Covid-19. It is evident that there is a very uncertain future at the present time. There are some developments in the present pipeline that will be affected: beyond that, new hotels development may be severely restricted for some time to come. These comments seem to me to reflect reality, but do not suggest to me that the proposed changes to the CIL rate for hotels should be abandoned for this reason as CIL is unlikely to be a significant factor.

Major Sites for special treatment?

One Euston

36. Lendlease, on behalf of landowners with a complex development at One Euston, proposed that the site be nil rated – not in order to reduce the costs of development, but in order for planning contributions and infrastructure delivery to be dealt with under section 106 agreements. Effectively this would require a separate charging zone with a nil charge to be established covering the extent of the site. This would not be within the remit of my examination, and would require a proposal by the charging authority to go through the procedures required by regulation, including the necessary consultation. However, following the receipt of the representation, and during the course of the examination, discussions continued between the representor and LBC, with the outcome that a Statement of Common Ground has been agreed, dated 15 May 2020 (see CIL website, CED 1.14 Statement of Common Ground).

37. In essence, LBC accept that there are special circumstances, and are willing to accept Infrastructure Payments in lieu of CIL (all or in part) in

accordance with a formally adopted planning framework. LBC is currently preparing a new Euston Area Plan that will identify the necessary infrastructure, identifying what CIL should be paid and whether it addresses the requirements better than a bespoke s106 agreement. On the basis that One Euston is a 'very large strategic development', LBC may relax the approach further, provided a satisfactory explanation is given of the need for additional flexibility. There is thus no need for me to give further consideration to this representation.

Murphy's Yard

38. There is a large industrial site in the northern part of Kentish Town, known as Murphy's Yard. It lies to the west of Highgate Road and is bounded to the north, west and south by railway lines. The site is in a single land-ownership. There are three locomotive sheds on the site which are locally listed. Other than these large buildings, development on the site is very low intensity. The railway lines support important biodiverse corridors and Sites of Importance for Nature Conservation. Their dense planting, particularly to the north of the site, lends a green character to an otherwise industrial area.

39. Murphy's Yard is located within charging Zone C, the boundary between Zone C and Zone B being formed, in this locality, by the railway line at the south. Zone C has the highest rate in Camden for residential development at £644 psm, having risen due to indexation. On the other side of the railway line boundary, in the Regis Road area, the rate for residential is half of this, at £322.

40. The representation does not question the residential rates, since these are being set at figures that reflect the indexation of costs from 2015. The point of the representation is that circumstances have significantly changed since 2015 in respect of planning policy. In 2015 Regis Road and the Murphy's site were both within the 'Industry Area' designated in the Camden Core Strategy. The Camden Local Plan, adopted in 2017, re-designated Regis Road as the Regis Road Growth Area and it was therefore removed from the Industry Area. Murphy's remained in the designated (renamed) 'Kentish Town Industry Area'. Since then the Kentish Town Planning Framework (KTPF) has emerged. This has gone through various iterations, with the consultation draft, dated November 2019, being published for comment, with the intention that it will be adopted in 2020.

41. The KTPF proposes an integration of Murphy's Yard with the Regis Road Area, with redevelopment retaining employment uses and co-location with other priority uses, particularly housing. Some 750 dwellings are foreseen on Murphy's Yard and 1,000 on the Regis Road area. The contention in the representation is that redevelopment of Murphy's Yard with significant industry being retained cannot achieve housing values above the Regis Road Area, and certainly will not be able to match the residential values in the Hampstead Heath and Highgate areas. The division by the railway line separating Zones B and C is now anachronistic, reflecting a convenient boundary in 2015: a situation that should have been recognised as a material change in circumstances when the viability of development to achieve planning policy was being reconsidered in the revision to the

Charging Schedule. The opportunity should now be taken for the boundary between Zones B and C to be realigned to bring Murphy's Yard within Zone B, so that the viability of this large-scale strategic site is not undermined.

42. The first response of LBC is that the review of the Charging Schedule does not include any proposal to alter Zone boundaries, and therefore the request to consider this in connection with Murphy's Yard is beyond the scope of my examination.

43. More constructively, the Council has responded (including in answering my question which largely referred to the Euston One matter) that, whilst there is at present uncertainty about infrastructure costs and the costs and values of development, it is aware of the special circumstances and is supportive of major redevelopment proposals. It considers that an Infrastructure Payment Policy procedure under the CIL reg 73 (Payments in Kind) would address the issues raised. Such policy would only extend to sites where a planning framework has been prepared and special arrangements are needed to help facilitate the delivery of strategic infrastructure. The Council has previously indicated that it will accept Infrastructure payments where it can facilitate the delivery of major strategic infrastructure projects. The most recent version of the CIL regulations has introduced increased flexibility to this procedure. This will in effect allow a separate s106 negotiation to be undertaken for major strategic sites where the Council considers this to be appropriate. For the foreseeable future this would only include Euston and Kentish Town, the latter including the Murphy's Yard site.

44. Furthermore, on larger sites development that will come forward in phases, the CIL would be charged by phase, and with instalments if appropriate, which would provide further flexibility. It is also possible that this approach may be relaxed further in the case of very large strategic development, provided a satisfactory explanation is given for why such additional flexibility is needed, and how this would facilitate the provision of infrastructure to address the impact of such a development.

My conclusions

45. My conclusion on this matter is that it is outside the scope of my examination. I have been appointed to examine the submitted revisions to the LBC CIL Charging Schedule. These revisions, apart from up-dating the rates due to the indexing requirements set out in the CIL Regulations, only affect the rates for office, research and development, and hotels. There are no proposals before me as part of the revisions to amend the charging zones. Apart from any other consideration, any proposal to change zone boundaries would need to be undertaken with the appropriate consultation, allowing any interested party to make representations. Clearly this has not been done.

46. However, I consider it appropriate to make an observation or two on the matter put to me. Because CIL is a fixed charge levied on increased floorspace in development, I remain concerned when considering the Council's clear intention to facilitate large strategic developments. As set out above, the Council puts forward the Infrastructure Payment Policy

procedure under the CIL reg 73 (Payments in Kind). However, since CIL is a fixed charge, the monetary value due will surely remain as calculated in accordance with the formula set out in the regulations.

47. Nevertheless, it is clear that LBC is committed to securing the major developments that are planned, and is fully prepared to examine all available avenues to assist where it can be demonstrated that the viability of a development is at risk.

48. For the reasons given in paragraph 45 above, I have no recommendation to make.

Overall conclusion

49. There were no issues raised, other than those dealt with above, that amounted to anything more that an expression of opinion or objection without any or adequate evidence.

50. I therefore conclude that, in setting the CIL charging rates in this partial review, the Council has had regard to detailed evidence on infrastructure planning and the economic viability evidence of the development market in the London Borough of Camden. The Council has been realistic in terms of achieving a reasonable level of income to address a gap in infrastructure funding, while ensuring that in general development remains viable across most of the authority's area. It has made decisions about its priorities for bringing in funds through CIL and obtaining contributions through section 106 agreements. An appropriate balance has been struck.

Are the Legal Requirements met?

51. The Legal Requirements are met:

- The Charging Schedule complies with national policy/guidance
- The Charging Schedule complies with the 2008 Planning Act and 2010 Regulations (as amended), including in respect of the statutory processes and public consultation, consistency with the Local Plan and the Infrastructure Delivery Schedule, and is supported by an adequate financial appraisal.

Recommendation

52. I conclude that the partial review of the London Borough of Camden Community Infrastructure Levy Charging Schedule, submitted for examination on 19 February 2020, satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended). I therefore recommend that the Charging Schedule be approved.

Terrence Kemmann-Lane

Examiner