

## COMMENTS ON OPDC PRELIMINARY DRAFT CHARGING SCHEDULE FROM THE INTERIM OLD OAK NEIGHBOURHOOD FORUM

### Background

The interim Old Oak Neighbourhood Forum involves a group of residents associations in and around the Old Oak area which have been working together since October 2015 and holding forum meetings since July 2016. The forum has been in discussions with OPDC planning officers during the past year, on a draft designation application for an Old Oak neighbourhood area and forum.

The Forum has chosen not submit its own comments on individual planning applications in the OPDC area, leaving this task to individual residents groups in the locations directly affected. The Forum submitted comments on the OPDC Regulation 18 Local Plan, and is now commenting on the PDCS for the OPDC area, as a significant generic planning issue for the future.

### Infrastructure costs

The PDCS gives figures in Table 1 of paragraph 4.4.5 showing 'total infrastructure costs' in £000s as being £1,549. The report on the OPDC Review states at 2.1 *The funding for the infrastructure needed to bring forward development in the area amounts to approximately £2.5bn and Government expects this to be paid for from development.*

There is a big difference between these two figures, and the latter higher figure may be a more recent and accurate assessment. There is growing concern amongst residents in the Old Oak area that infrastructure costs of proposed development cannot be met through planning obligations alone, and that significant initial Government subsidy is needed to meet the anticipated funding gaps and to make a success of the OPDC area.

Otherwise the risk will be, in the words of the OPDC Review report, that *In addition to impacting on the ability of developments to provide an acceptable level of affordable housing, the high cost of infrastructure may force a quantum and scale of development that is unacceptable in height, scale, density or mass – and at the expense of community infrastructure.*

It is recognised that on this funding requirement the PDCS states *Other means available funding sources such as TfL, Enterprise Zones, New Homes Bonus, affordable housing programme, and Starter Homes will be explored by the OPDC as appropriate measures for addressing the remaining funding gap.* (Para 4.5.3.)

### Comparison with CIL rates in LB Hammersmith & Fulham

The CIL charging rates adopted by LBHF for the northern section of the Borough (adjacent to the OPDC area) are £100/sq m for residential, nil for offices, and £80/sq m for student housing, A class accommodation and other uses. Charges in the White City East Regeneration Area are nil, for all use classes, where S106 agreements will continue to be used as a separate form of planning obligation.

These levels compare with proposed OPDC CIL charging rates of £175/ sq m for residential, £70/sq m for offices, and £250/sq m for student housing.

We support the principle of OPDC rates being set generally at rates higher than for the northern part of LBHF, on the basis that PTAL levels will (eventually) be higher in the OPDC area. We also support a high level of charge for student housing, given that an over concentration of this form of development in the early years of the OPDC Local Plan could harm amenity for existing residents (as has already proved the case at North Acton).

In relation to offices, we note that the PDCS states *The occupational evidence suggests a maximum CIL rate of £271 could be supported across the OPDC area, however a £70 CIL rate has been set to provide a restrained approach and allow for the continuation of a strong employment use presence in the OPDC area.* We see this as being over-cautious in light of the infrastructure funding gap identified for the OPDC area, and suggest that a slightly higher level should be imposed.

### **Neighbourhood CIL**

Paragraphs 6.3.1 and 6.3.2 of the PDCS are curiously worded in referring to the 15% or 25% elements of neighbourhood CIL being passed to 'local councils'. The statement *However, in London, where generally there are no local councils....* will puzzle many Londoners. In London, the Borough Councils are commonly referred to as 'local councils' and are themselves CIL raising bodies as Local Planning Authorities. This is a different scenario to rural areas, where a third tier of local government bodies is made up of parish and town councils to which CIL receipts are passed directly.

This section of the PDCS documents states at paragraph 6.3 *Therefore, the OPDC as charging authority will retain the neighbourhood portion and, in line with the NPPG, will seek to engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding element.* It is accepted that the charging authority can retain CIL proceeds.

This language of '*seeking to engage*' is similar to that used in the OPDC Statement of Community Involvement. It is weaker than that in DCLG Planning Practice Guidance which states *Local authorities must allocate at least 15% of levy receipts to spend on priorities that should be agreed with the local community in areas where development is taking place. This can increase to a minimum of 25% in certain circumstances* (Paragraph: 071 Reference ID: 25-071-20140612 and our emphasis). DCLG guidance suggests a requirement for 'agreement' with local people rather than LPAs undertaking a consultation exercise the results of which may be set aside.

The PDCS document does not make clear that this 15% element of Neighbourhood CIL does not have to be spent on 'infrastructure' and can be spent on 'local priorities'. This 15% element is referred to in DCLG PPG as a 'neighbourhood pot' some of which *could be used to develop a neighbourhood plan where it would support development by addressing the demands that development places on the area.* (Paragraph: 072 Reference ID: 25-072-20140612).

In relation to the 25% element of CIL where a neighbourhood plan is in place, the PDCS document refers to this only very briefly. It does not make clear the PPG Guidance that *In England, communities that draw up a neighbourhood plan or neighbourhood development order (including a community right to build order), and secure the consent of local people in a referendum, will benefit from 25 per cent of the levy revenues arising from the development that takes place in their area. This amount will not be subject to an annual limit.* (Paragraph: 072 Reference ID: 25-072-20140612)

As with the 15% element, this 25% element can also be spent on 'local priorities' as well as 'infrastructure'. This information has not been communicated in the OPDC consultation exercise. Instead the OPDC Draft Regulation 123 List states *The OPDC Community Infrastructure Levy will be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the OPDC area.*

This latter statement is not fully accurate and ignores the Government's intention that the neighbourhood element of CIL should be used to incentivise local communities to become more involved in the planning of their localities<sup>1</sup>.

The 'short questionnaire' accessed via the OPDC CIL consultation web page similarly asks the public a series of questions about types of infrastructure, and says nothing about the neighbourhood element of CIL. Responses to the questionnaire will need to be assessed in this light. The potential contribution of the consultation exercise in 'engaging' local people in the OPDC area will have been diminished by the way information on CIL has been presented.

This is unfortunate, at time when the Mayor's review of the OPDC has recommended that *The OPDC must be mindful of the needs of local residents and businesses in all it does, communicating clearly and widely and listening to and addressing concerns about forthcoming developments and their impacts* (paragraph 4.5. of OPDC Review).

**We ask that when the final CIL Charging Schedule is published, it includes a full explanation of Neighbourhood CIL in terms that reflect DCLG Planning Practice Guidance.**

In relation to proposals for an Old Oak neighbourhood area and neighbourhood plan, it is recognised by the interim forum that the level of CIL receipts in the NP area will ultimately be very high and that infrastructure demands are great.

Hence there is no expectation by the forum that, should a neighbourhood plan be 'made' at a future date, the 25% element will be available as an allocation to be allocated largely at the discretion of existing local residents and businesses involved in the neighbourhood forum. This would be inappropriate. In discussion with OPDC planning officers it has already been agreed that a MOU can be drawn up and agreed, setting out terms of engagement on Neighbourhood CIL as and when a neighbourhood plan comes to be examined and adopted.

Interim Old Oak Neighbourhood Forum  
November 2016

---

<sup>1</sup> *"This government is determined to persuade communities to accept more house-building by giving them a tangible share of the benefits it brings. By undertaking a neighbourhood plan that makes space for new development, communities can secure revenues to make the community more attractive for everyone."* Ministerial statement on NCIL by Nick Boles MP, 2013.