

12-month 'Holiday' Procedures (1 August 2010 – 31 July 2011)

Due to concerns expressed by stakeholders during consultation on revisions to the Planning Obligations Community Benefit Strategy (POCBS) and the lack of recent starts on sites in the London Thames Gateway area, the Corporation has agreed to introduce a 12 month 'holiday' on the *Discounted* Standard Charge element normally due on implementation (i.e. 25% of £6,000 in LR /25% of £10,000 in LLV per residential unit) for units within schemes *implemented* in the next 12 months, in order to incentivise early commencement.

This holiday period will run from 1 August 2010 - 31 July 2011.

This holiday will apply to both schemes already permitted but not yet started and schemes in the pipeline that are consented and implemented this year. Where S106 agreements have already been signed, a simple deed of variation will be required. A standard form of document will be prepared. Where schemes have a resolution to grant, LTGDC will report these collectively back to planning committee to ensure that the proposed holiday period is included within their terms. Schemes that have already been implemented are not eligible for the holiday.

For the avoidance of doubt, this holiday applies to 25% of the *Discounted* Standard Charge, currently set at £6,000 per residential unit in London Riverside and £10,000 per unit in the Lower Lea Valley (25% of it is usually due on commencement and 75% on completion). The holiday does not apply to the 75% of the discounted standard charge due on completion nor to the *Deferred* Standard Charge element which will still remain payable on all units if the appropriate sales price thresholds are reached, although it should be noted that the existing Strategy does not seek a *Deferred* Charge on schemes under 100 units or units which are completed within 3 years of the date of planning permission. This is an existing measure that LTGDC have used to incentivise the early completion of development.

Where a development is phased (or would normally be phased), the holiday will apply to all units in phases implemented within the 12-month period. LTGDC will review each scheme to ensure that an equitable approach is adopted.

Implementation in relation to this holiday provision will be defined in the same way that is has been in the model planning agreement; that is:
Implementation means the implementation of the Development in accordance with the Planning Permission by the carrying out of any material operation within the meaning of sections 56(2) and (4) of the 1990 Act provided that for the avoidance of doubt the carrying out of archaeological investigations, demolition, remediation works, site clearance, site preparation, surveys, erection of fencing or hoardings, provision of security measures or lighting, erection of temporary buildings or structures associated with the Development, laying and diversion of services, and the provision of construction compounds shall be deemed not to constitute a material operation.

The intention is that a substantive start on site should have been carried out in order to qualify for the holiday. Developers are reminded that all pre-commencement conditions would need to be satisfied with the LPA before implementation.