

Responses to LTGDC Planning Obligations Community Benefit Strategy Consultation, October 2009 – January 2010

Respondent	Topic	Summary of Comment	LTGDC response / Action
LBBD	Q.1 - maintain DSC as existing?	Yes we have modelled a range of values as part of our Affordable Housing Viability Study and this demonstrates that £6,000 is the right level for the charge	Noted and support welcomed
LBH	Q.1 - maintain DSC as existing?	Yes. The methodology used to determine the discounted standard charge appears sound.	Noted and support welcomed
LBTH	Q.1 - maintain DSC as existing?	* Maintaining the discounted standard recognises the existing economic downturn. An assessment of what could be generated needs to be understood across the Lower Lea Valley so then availability of other funding (likely to reduce) can feed into considerations going forward. * Seek some idea for when discounted charge would be reconsidered	Noted and support welcomed. PSIP estimates likely S106 receipts and seeks public funds for gap POCBS will next be reviewed in 2 years time (summer 2012) and it is likely that the review will focus on the Public Sector Investment Plan (PSIP) and Delivery and Investment Strategy (DIS)
Tescos (GLHearn)	Q.1 - maintain DSC as existing?	Support resi development paying for infrastructure and the continuation of the DSC as existing. Assistance to developers bidding for land as provides clarity. Should be part of overall planning package reflecting all costs. Should not be an automatic requirement but subject to financial viability testing in all cases	Noted and support welcomed. LTGDC considers financial viability issues where appropriate
Ballymore	Q.1 - maintain DSC as existing?	DSC of £10,000 was too expensive at peak of cycle, which can only have been further exacerbated by the current economic climate. LTGDC should seek to promote development not further frustrate it in the priority area	LTGDC will maintain the DSC as existing as they represent a viable level of contribution and consistency is useful for all parties as it aids understanding of the tariff. However, due to concerns expressed by stakeholders during consultation and the lack of recent starts on sites, LTGDC propose introducing a 12 month 'holiday' on the discounted standard charge element due on commencement (25% of £6k /£10k) for units within schemes implemented in the next 12 months (1 August 2010-1 July 2011), in order to incentivise early commencement. This would apply to both schemes already permitted but not yet started and schemes in the pipeline that are consented and commenced this year. 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 for grant of permission, to incentivise the early completion of development. The Strategy and charges have been reviewed and tested and are set at a level that the viability appraisals, that form part of the technical report, indicate are reasonable. The charges have been applied to developments in the area and have been paid. LTGDC do not consider that the tariff inhibits development, but rather ensures the provision of infrastructure to create connected and sustainable communities. LTGDC assesses viability on a case by case basis and can accept initial contributions below the published levels if these are justified by development appraisals and the Corporation is willing to consider alternative phasing and payment arrangements, to provide an additional level of flexibility. In addition, the 12-month holiday period on the discounted standard charge, as outlined above, will provide a further level of comfort in the current economic climate. It should be noted that Ballymore has agreed and entered into S106 agreements with LTGDC that include the tariff (Pura Foods site 06-060-FUL / Minoco Wharf 07-139-OUT).

London First	Q.1 - maintain DSC as existing?	Concern regarding the level of the charge. LTGDC has a key role in strengthening market and attracting investment. London First / BPF / HBF were and remain concerned that the level of the charge is disproportionate to ave S106 payments and may deter development.	See above regarding proposed 12 month 'holiday' on the discounted standard charge element (25% of £6k /£10k) for units within schemes implemented in the next 12 months (1 August 2010-1 July 2011)
LBBD	Q.2 - Update Full standard charge?	Yes	Noted and support welcomed
LBH	Q.2 - Update Full standard charge?	Yes. The methodology used for this early review appears sound and produces a FSC similar to the original figures. However, it is interesting to note that it is the view of ERM that the FSC 'significantly underestimates the likely gross full cost of the infrastructure required to support development', and we would question the timeframe for producing a more robust estimation of the full cost of required infrastructure, for example flood protection and public transport which are central to the success of any development. If similar partial reviews are conducted every two years, what is the timeframe for a full review, and will this incorporate the level of public funding likely to be available? At some point the 'real figure' must be determined for the cost of infrastructure required to support development.	<p>The scope of the 2009-10 Review has been to:</p> <ul style="list-style-type: none"> • review the total number of dwellings likely to be built in the LLV and LR; • reassess the type or quantity of infrastructure projected to be required to serve the development; and • recalculate the cost of providing the projected types of infrastructure taking account of cost inflation since 2006. <p>In relation to public funding, LTGDC considered the total cost of infrastructure, the likely level of public funding, and what developers were likely to be able to afford. Even adopting a discounted charge, there remains a significant shortfall in the cost of the required infrastructure. In the current economic climate, the level of public finance for infrastructure within the LTGDC area is likely to be even more uncertain. The mechanism to recapture the discount is unlikely to fully fund the gap. This is because the deferred charge arrangements apply only to those units which are completed more than 3 years after the grant of planning permission, and only requires a repayment of what can actually be afforded (not necessarily the full discount). As a further safe guard, the Model Agreement provides that if public funding has been secured for a specific piece of infrastructure, and full funding for all other pieces of infrastructure in the PSIP has been secured, the level of standard charge will be reduced, and this will again be reviewed when the POCBS is next updated.</p> <p>It is proposed that the next review of the POCBS will take place in 2 years time (summer 2012) and will focus on the Public Sector Investment Plan (PSIP) and Delivery and Investment Strategy (DIS)</p>
LBTH	Q.2 - Update Full standard charge?	Not sure the reduction is significant as our understanding is this is not charged	Noted - FSC has not changed significantly
London First	Q.2 - Update Full standard charge?	Strongly opposed to the concept of deferred payments	Noted - deferred payments seek to recapture the discount on large developments where build out may take some time and viability assumptions underlying the initial discount prove unwarranted. No deferred charge required from development of less than 100 units or units completed within 3 years of permission to incentivise early delivery
LBBD	Q.3 - charge on per dwelling basis?	For the reasons given in the ERM report we support this approach	Noted and support welcomed
LBH	Q.3 - charge on per dwelling basis?	Yes, in particular because it supports the policy priority for family and larger housing units.	Noted and support welcomed
LBTH	Q.3 - charge on per dwelling basis?	A per dwelling basis is considered an appropriate approach as this is consistent with s106 processes.	Noted and support welcomed

LBBB	Q.4 - commercial development site-by-site?	Agree for the reasons given in the ERM report	Noted and support welcomed
LBH	Q.4 - commercial development site-by-site?	Yes. This approach seems a prudent way of continuing to encourage commercial developments that are an important contribution to the sustainability of the area and which under a standard charge may not be viable	Noted and support welcomed
LBTH	Q.4 - commercial development site-by-site?	It is difficult to set an accurate charge on commercial development especially as a lot of the development is anticipated to be residentially led in the area, however, a benefit of a sqm rate for example, for commercial, would be that an assessment of how much development in this use category could be gauged and then this could give an idea as to the potential yield. This must then assist with the case for additional funding from other funding sources if it demonstrates it is not going to raise sufficient funds or identities significant 'gaps'.	Noted - LTGDC will continue to assess contributions from commercial development on a site-by site basis as impacts, values and viability vary significantly from proposal to proposal, but acknowledge that a sqm approach would assist in identifying likely yields and thus the funding gap - however, these predictions would be subject to considerable uncertainty, due to the variable nature of commercial developments in the area. This will again be reviewed in two years time to ensure the approach remains appropriate
Tescos (GLHearn)	Q.4 - commercial development site-by-site?	Do not consider it appropriate that reference is made to a standard charge in relation to commercial uses at all. Bearing in mind tariff primarily for social and transport infrastructure, do not believe it should be levied on retail development unless it results in transport impact	A tariff was considered for commercial development, but is not proposed by this review. If a commercial tariff is introduced in future years, it would only cover the elements of infrastructure upon which there is an impact
EA	Q.4 - commercial development site-by-site?	We recommend that commercial development continues to be considered on a site-by-site basis. This is because the impact of a commercial development on the capacity of existing and already planned environmental infrastructure should be considered (construction phase and in particular its operational phase), and the scale and detail of this impact will very likely relate to the type of proposed commercial activity, and the local environmental context.	Noted
LBBB	Q.5 - Phased Appraisals?	We agree but this should be as a last resort	<i>Noted and accepted, and this will be reflected in the model S106 agreement</i>
LBH	Q.5 - Phased Appraisals?	Yes, but it should be clearer within the strategy that, as recommended by ERM, phased reappraisal continue to be treated as a 'last resort', which implies that Options 1, 2 and 3 should be preferred over Option 4 (Phased Reappraisal). However, pg. 13 of the consultation document states: 'The proposed mechanism will normally be for the applicant to choose and agree with LTGDC at the time of entry into the appropriate planning agreement.' This goes against the recommendation of ERM, and may also have resource implications for LTGDC should the majority of developers choose the more intensive (in terms of negotiation and review) Option 4.	<i>Noted and will be clarified within the strategy that this option is not the preferred approach and will only be considered as a final option</i>

LBTH	Q.5 - Phased Appraisals?	LBTH support the continued inclusion of 'a deferred standard charge' as a practical measure to assist in current recessionary times. There should always be concern about the reliability of the development appraisals what ever stage they are submitted at, some idea for when this would be reconsidered	Noted
Tescos (GLHearn)	Q.5 - Phased Appraisals?	* Support LTGDC embracing varying AH levels - believe that the current market may necessitate a drop below 25% in order to encourage development. So long as financial justification for this - support the idea of phased reappraisals - but only in circumstances where viability assessments assumptions are uncertain - downwards as well as upwards reappraisal * Consider this option assists commencement of development but DSC should reflect losses or sub-prime profit on earlier phases and should also reflect impact of changes to the availability of public funding	Noted and support welcomed - level of AH can be considered flexibly where justified by development appraisals <i>In relation to re-appraisal, LTGDC will consider various aspects of viability and this option will be added to the draft legal agreement</i>
LBBD	Q.6 - AH re-appraisal?	We agree but again this should be as a last resort and not as standard practice	Noted and accepted
LBH	Q.6 - AH re-appraisal?	Because the LTGDC has already adopted this practice in particular cases, it should be formally recognised as an option	Noted and accepted
LBTH	Q.6 - AH re-appraisal?	* Reconsideration of affordable homes provision would assist in recessionary times. LBTH would be concerned about Affordable Housing being reduced in LBTH as this is in our priority/London Plan priority. LBTH would say no to inclusion of AH, however if there were in extreme circumstances, with an exceptional scheme and where other benefits outweigh the loss of it then it may consider it. * LBTH would be concerned about the later phases option. The balance of a finished development needs to be carefully considered and a commitment if is ultimately delivered.	Noted and accepted that AH is a London-wide priority. LTGDC will use development appraisals to ensure that an optimal balance between securing appropriate levels of contributions towards community infrastructure via the tariff, while also securing the most appropriate amount and type of affordable housing, is achieved. The phased reappraisal approach would always ensure that the final overall provision reflects affordable housing requirements at that time.
Ballymore	Q.6 - Viability	Whilst LTGDC shown willing in relation to considering viability, schemes will now be significantly more fragile, and therefore viability should continue to be considered, including impacts such as climate change mitigation and AH provision	As acknowledged, LTGDC assesses viability on a case by case basis and can accept initial contributions below the discounted standard charge if these are justified by development appraisals. The Strategy and charges have been reviewed in light of the prevailing economic climate to confirm that they are still set at a reasonable level that does not inhibit development. In addition, the Corporation is willing to consider alternative phasing and payment arrangements, to provide a level of flexibility that aims to achieve the infrastructure requirements to create sustainable communities, without inhibiting development. In addition, LTGDC is proposing to introduce a 12 month 'holiday' on the discounted standard charge element due on commencement (25% of £6k /£10k) for units within schemes implemented in the next 12 months (1 August 2010-1 July 2011) AH / climate change mitigation costs are considered to be standard development costs, and if these were causing problems in relation to the viability of the scheme, this would be flagged up in the viability assessment, so could be considered at that stage

London First	Q.6 - Viability	The level of the tariff applied to individual schemes should be able to be negotiated to reflect viability	This is and always has been the case. LTGDC assesses viability on a case by case basis and can accept initial contributions below the discounted standard charge if these are justified by development appraisals. The Strategy and charges have been reviewed in light of the prevailing economic climate to confirm that they are still set at a reasonable level that does not inhibit development. In addition, the Corporation is willing to consider alternative phasing and payment arrangements, to provide a level of flexibility that aims to achieve the infrastructure requirements to create sustainable communities, without inhibiting development.
LBBB	Q.7 - works in kind 'offsets'?	Agree with the items, however the strategy needs to make clear that the offsets must serve the development as well as meeting strategic needs	Noted and accepted and <i>the required strategic nature of offsets that also serve the development will be clarified within the Strategy</i>
LBH	Q.7 - works in kind 'offsets'?	Havering agrees with the items included on the list. However, on pg. 16 we suggest that the item 'Public transport infrastructure serving a wider community, e.g. bridge link/DLR' should be expand the examples to include 'facilitation of new bus services and a new station at Beam Park on the Fenchurch Street-Shoeburyness line'. This will serve to make the item clearer on intention and flexibility.	Noted and accepted and the <i>Strategy will be updated to refer to bus and train links</i>
LBTH	Q.7 - works in kind 'offsets'?	<p>* Including an indicative list of works in-kind that are normally considered as offsets to the charge would appear a sensible idea if these items facilitate clearly the delivery of benefits which otherwise have to be secured in some other way. This would save time, delivered as the development is and may save money. Query on procurement in delivery and European regulations in this area. Maybe a bit detailed.</p> <p>* The Provision of strategic public open space is queried. How is this different to land for infrastructure on the 'not normally list'? Does it mean provided and fitted out/improved? LBTH are presuming yes, but this needs further clarity.</p> <p>* Management and maintenance costs should be included.</p>	<p>* Noted and support welcomed</p> <p>* In relation to the issue that the provision of land for infrastructure is not normally considered as an offset, the full and discounted standard charges make no allowances for land acquisition costs and therefore land is not to be offset.</p> <p>*The inclusion of strategic public open space as an offset is where there are construction costs (not land costs) in relation to the laying out of the space</p> <p>* In relation to maintenance costs, these were not included due to Circular 05/05 (B18-20) stating that these should normally only be included where the infrastructure is for the sole use of the occupiers of the associated development, or only pump-priming for more strategic facilities</p>
Tescos (GLHearn)	Q.7 - works in kind 'offsets'?	Consider that value of land (in relation to ed and health, community uses and other infrastructure) should be included as an offset. Should be noted that where open space or park land is provided for example that is of a strategic nature so as to serve a wider area. These dev costs should be taken into account in viability appraisals	<p>In relation to the issue that the provision of land for infrastructure is not normally considered as an offset, the full and discounted standard charges make no allowances for land and acquisition costs and therefore land is not to be offset.</p> <p>Land required for services on site, which match the scale of development, should be thought of as having no development value and therefore not be considered as offsets. Major sites should be allocated in local policy and therefore also have no value.</p> <p>If an applicant is providing e.g. a whole site for a secondary school, when the development only needs 50% of that school, <i>on un-allocated land</i>, then it would be reasonable to pay an offset for the 'overprovided' land.</p>
EA	Q.7 - works in kind 'offsets'?	Support the inclusion of 'Strategic Flood Relief Works' as a type of work likely to be considered as an offset to Discounted Standard Charge. This type of potential offsetting work would need to be assessed on a site by site basis and should be identified at very early concept stage of a development. Discussion with the Environment Agency at an early stage would be essential.	Noted and accepted

EA	Q.7 - works in kind 'offsets'?	In relation to 'strategic public open space, parks, public realm and ecological enhancement', we recommend that strategic enhancement to the blue ribbon network and opportunities identified in London Rivers Action Plan are also considered. In addition to strategic open space and ecological enhancements, this range of works could include strategic green infrastructure, for example links (cycle path / walking routes) connecting communities and green space that benefit the wider community	Noted and accepted and the <i>Strategy will be updated to refer to blue ribbon network and green infrastructure</i>
EA	Q.7 - works in kind 'offsets'?	We also advise that contribution to costs to manage / maintain in good condition these types of strategic features within the public realm should also be considered as potential offset.	In relation to maintenance costs, these were not included due to Circular 05/05 (B18-20) stating that these should normally only be included where the infrastructure is for the sole use of the occupiers of the associated development, or only pump-priming for more strategic facilities
EA	Q.7 - works in kind 'offsets'?	Regarding works that would <u>not</u> normally be considered as offsets, we recommend further clarity on ' <i>Abnormals e.g. river wall works</i> '. We would agree that normal responsibilities of an owner of an flood defence structure (e.g. maintain in good condition, repairs) should not be considered as offsets. However, there may be certain types of treatment to a river wall that may be considered of strategic benefit to the wider community. A stretch of river wall is likely to be integral to a flood defence system, and so there may well be different interpretations as to whether local works were adding value to the strategic infrastructure. Again, this would need to be discussed on a case by case basis, at early stage of concept of development.	Noted and accepted and the <i>Strategy will be updated to clarify this</i>
London First	Q.7 - works in kind 'offsets'?	Applicants can offset the cost of providing infrastructure in kind against the charge - London First welcome the move towards offsetting	Noted and support welcomed
LBBD	Q.8 - Long stop date?	Long stop date should act as an incentive for applicants to submit applications that they are confident will be delivered and incentivise their delivery as either way they will have to pay the DSC, therefore I think of the options the date should be extended to 15 years. However in practice I have my doubts about how the LTGDC would go about retrieving the charge owed in these circumstances and the strategy could clarify this.	Noted re preference for extension to 15 years <i>Strategy to suggest potential transitional arrangements</i>

LBH	Q.8 - Long stop date?	<p>* Having reviewed the Standard Legal Agreement, and in light of the introduction of the option for phased reappraisal of both the deferred standard charge and affordable housing provision, Havering considers that the option of seeking the deferred standard charge on the long stop date only on phases that have commenced, provided 50% of the units have been built out, to be most congruent with the overall approach of the document. Additionally, it seems to provide a balance between to the issue highlighted in the Technical Report that there are recognised funding difficulties with requiring payment for a contingent amount on un-built homes, and the need on the part of LTGDC to ensure certainty of funding.</p> <p>* However, additional clarity is needed on the timing of the long stop date for this option, and how this relates to the long stop date for the discounted standard charge. The relationship between the discounted standard charge and the deferred standard change is unclear in the consultation document, e.g. would the removal of the long stop date for the deferred standard charge also effectively remove the long stop date for the discounted standard charge, or would its removal simply remove the ability to recapture part of the discount</p>	<p>Noted re preference seeking deferred standard charge at the long stop date only on phases that have commenced, provided 50% of the units have been built out.</p> <p><i>Strategy to clarify relationship between long stop dates for discounted and deferred standard charge</i></p>
LBTH	Q.8 - Long stop date?	<p>* Practically the longer it is, the further away for money to come in and again more uncertainty when you receive money for infrastructure, making it more difficult to assemble packages for delivery. This will need to be monitored and managed after the lifetime of LTGDC.</p> <p>* LBTH would not favour extending it. Deferring charges will lead to setting up difficult processes in the future with regards to enforcement etc. Establishing a limit to what can be deferred would be acceptable (less, but more immediately paid has to be better from a time limited organisation with records to pass on).</p> <p>* Delivery challenge concerns, i.e. development without infrastructure is not sustainable</p>	<p>Noted re preference to keep Long Stop Date as at present at 10 years</p> <p><i>Strategy to clarify relationship between long stop dates for discounted and deferred standard charge</i></p>
Tescos (GLHearn)	Q.8 - Long stop date?	Object to any removal of the long stop date. Suggest in the third option that 'occupied replaces built out'. Suggest discretion on a case by case basis	Noted
LBBD	Q.9 - repayment?	We agree this is a very unlikely scenario and therefore we are comfortable with its inclusion	Noted and support welcomed
LBH	Q.9 - repayment?	Yes. Such a provision provides developers with a safeguard, despite the view (of ERM) that in practice it is unlikely to be triggered because, although the FSC does not take account of public funding, it significantly underestimates the likely gross full cost of the infrastructure required to support development	Noted and support welcomed

LBTH	Q.9 - repayment?	<p>LBTH would not agree for the provision for repayment at any later stage. Again this would incur more monitoring, enforcement and responsibilities are deferred to who knows who? who knows when? Without any fix on funding sources coming into the area and again that maybe repaid once received, proper infrastructure planning would be very difficult.</p>	<p>Noted but not accepted - the proposal is to introduce a clause in S106 agreement to review, part way through build-out, of the provision to repay contributions should the full standard charge be reduced, due to increases in public funding. This is unlikely to be triggered, but will provide developers with the comfort that should substantial public funding be received to cover the cost of such infrastructure, there will not be double counting</p> <p>LTGDC operate an electronic monitoring database (in DCGateway) that records all S106 agreement and clauses, including any provisions related to repayment</p>
LBTH	Q.10 - other suggestions changes in relation to economic climate?	<p>* LBTH think these were probably needed two years ago and going forward LBTH would query as to how much the market will need that support in this area. However, to be seen to support is not a bad idea but these measures will not be the reason something happens or not – it is more macro than this.</p> <p>* Development still places infrastructure demands on place and this needs paying for. Going forward, it is more likely to be public funding that will be hardest to come by. CIL is also being introduced and this tariff will be replaced sooner rather than later (LBTH anticipate it may be).</p> <p>* LTGDC needs some market analysis (assessment on this to justify processes)</p>	<p>Noted</p> <p>In relation to CIL (implemented from 6 April 2010), a four year transition period (until April 2014) has been introduced for the phasing out of tariffs, unless CIL is adopted earlier in these areas</p> <p>Technical report provides market analysis in relation to viability of level of tariff</p>
EA	Background Info	Developing a Environmental Infrastructure for London resource (GIS) as part of the Thames 2100 project	Noted - will be particularly relevant for London Riverside OAPF in preparation with GLA
Ballymore	Principle of tariff	Housing capacity in LLV is under-estimated. Inconsistencies due to geographic boundary of LTGDC e.g. Royal Docks outside boundary but will share any improvements in infrastructure - suggest review of baseline projections and allowances for units outside area	Noted. In relation to the Royal Docks area, LTGDC is unable to apply tariff to sites outside functional boundary. It is accepted that developments in this area may benefit from infrastructure improvements in LTGDC, but the same is true in reverse. <i>It is proposed to revise the model agreement such that if public funding or funding from a third party has been secured for a specific piece of infrastructure and full funding for all other pieces of infrastructure in the PSIP has been secured, the level of standard charge will be reduced.</i>
Ballymore	Principle of tariff	DIS too broad-brush and has not been updated - lack of evidence to support tariff requirements	<p>Noted - LTGDC has developed both a Delivery and Investment Strategy (DIS) and Public Sector Investment Plan (PSIP) for the Lower Lea Valley and London Riverside and the PSIP is appended to all S106 agreements. The PSIP sets out the estimated requirements for public sector investment in transport, social and environmental infrastructure based on estimates developed by LTGDC and its partners. S106 agreements that include the tariff state that contributions should be spent in line with projects identified in the PSIP.</p> <p>It is proposed that the next review of the POCBS will take place in 2 years time (summer 2012) and will focus on the Public Sector Investment Plan (PSIP) and Delivery and Investment Strategy (DIS)</p>

Ballymore	Principle of tariff	<p>Exclusion of external or public funding in calculating the tariff contrary to government guidance on CIL - tariff should be in relation to the funding gap. Not acceptable for LTGDC to seek the full funding package from S106 only</p>	<p>Noted but not accepted - the FSC does not take account of public funding, but it provides a conservative estimate of the likely gross full cost of the infrastructure required to support development. In addition, it is unlikely the FSC will be paid in most cases, with the discounted standard charge representing only a small proportion of the full costs. The Public Sector Investment Plan (PSIP) sets out the headline costs for infrastructure works in the LLV/LR areas. For example in the LLV, even estimating over £100 million anticipated S106 receipts, there is a still over a £600 million funding gap for critical infrastructure.</p> <p>In relation to CIL, there is an obligation on the charging authority to "take into account other actual and expected sources of funding" when setting rates (see Regulation 14 in the Community Infrastructure Levy Regulations 2010 which came into effect on 6 April 2010). This will require an authority to have reasonable regard to "actual and expected sources of funding" when setting the rate. Having considered those sources, how the authority treats public funding when assessing the level of charge will be largely up to it, subject to the proviso that it must not behave unreasonably. LTGDC's approach is consistent with that set out in the CIL Regulations. LTGDC considered the total cost of infrastructure, the likely level of public funding, and what developers were likely to be able to afford. Even adopting a discounted charge, there remains a significant shortfall in the cost of the required infrastructure and in the current economic climate, the level of public finance for infrastructure within the LTGDC area is likely to be even more uncertain.</p>
Ballymore	Principle of tariff	<p>Concern re arbitrary nature of spending on infrastructure across the LLV. Development which pays tariff should benefit from local infrastructure, in relation to Circular 05/05</p>	<p>An expenditure process has been established, whereby LTGDC officers review the projects outlined in the PSIP and liaise with borough stakeholders to identify the proposed priority infrastructure projects that support the growth in the LLV/LR areas and that can be delivered over the next 3 years. Project allocation options are considered in relation to the evaluation framework (outlined below) and then discussed with LTGDC Executive, the LLV/LR Management Group and the Developer and Landowner Liaison Group (which includes Ballymore), and the views of these forums are reported to the LTGDC Board for final approval of the decision. All S106 agreements state that tariff contributions should be spent in line with projects identified in the PSIP</p> <p>In relation to determining priority projects for expenditure, a grading/evaluation framework has been established for assessing project suitability for funding, and this will be referenced in the revised Strategy:</p> <ul style="list-style-type: none"> - Inclusion in PSIP - expenditure of contributions needs to comply with the terms of the agreement from which it originates, which states that the contribution should be spent in accordance with the PSIP - Proximity of project to scheme that provided contribution - if a project is in close proximity to the development site from which the contribution originated, this should be given a positive weighting - Likelihood of project to come forwards within the next 3 years - if a project is programmed for delivery in the immediate future, this should be recognised and be given a positive weighting - Overall cost / match funding from other sources - if a project is to be part-funded from other sources, which will enable the implementation of a more strategic scheme, this should be given a positive weighting - Contributing to a local area vision - if a project contributes to a shared vision for the future of the area, incorporated in related planning policy documents, this should be given a positive weighting <p><i>This process will be articulated in the revised POCBS</i></p>

London First	Principle of tariff	LTGDC must prepare a comprehensive, costed and prioritised list of the infrastructure needed to deliver development	<p>LTGDC has developed both a Delivery and Investment Strategy (DIS) and Public Sector Investment Plan (PSIP) for the Lower Lea Valley and London Riverside. The PSIP sets out the estimated requirements for public sector investment in transport, social and environmental infrastructure based on estimates developed by LTGDC and its partners. S106 agreements that include the tariff state that contributions should be spent in line with projects identified in the PSIP.</p> <p>It is proposed that the next review of the POCBS will take place in 2 years time (summer 2012) and will focus on the Public Sector Investment Plan (PSIP) and Delivery and Investment Strategy (DIS)</p> <p>An expenditure process has been established as set out above and the Developer and Landowner Liaison Group contribute to the prioritisation and expenditure process.</p>
London First	Principle of tariff	An estimate for available public funding must be made and the tariff must be calculated on the funding gap. It is not acceptable that the LTGDC aim for developers to pay the entire cost of infrastructure provision.	<p>The Public Sector Investment Plan (PSIP) outlined above, sets out the headline costs for infrastructure works in the LLV/LR areas. Even estimating over £100 million anticipated S106 receipts, there is a still a £600 million funding gap in LLV for critical infrastructure. Therefore, this document has been used as part of an ongoing discussion with central government to make the case for urgent addition investment in London Thames Gateway.</p> <p>S106 receipts make up a small portion of overall infrastructure costs – for example to date the tariff funds that have been allocated to projects with match funding e.g. Canning Town Roundabout Removal – full project cost £24m, CIF funding £16m, S106 funding to date £1m. Stratford High Street and Carpenters Road improvement works – funding from LTGDC, LB Newham, ODA, S106 funding to date £700,000.</p>
London First	Principle of tariff	Allowances must be made for other costs such as for climate change mitigation measures and affordable housing provision.	Noted - these costs are considered to be standard development costs, and if these were causing problems in relation to the viability of the scheme, this would be flagged up in the viability assessment, so could be considered at that stage
London First	Principle of tariff	Note that the LR charge is discounted by 80% and the LLV charge is discounted by 55%. In light of Olympic Games and results of mid term review, LLV should be prioritised	<p>The setting of the level of the discounted charge is based on the viability assessment, as set out in the ERM report, looking at what level of charge is likely to be acceptable without inhibiting development. East London has suffered from a chronic underinvestment in infrastructure. This has been a significant disincentive to development coming forward in this area.</p> <p>LTGDC is attempting to remove such barriers by setting the tariff at a level that achieves the maximum contribution to this essential infrastructure, without inhibiting the development itself.</p>

Responses	
LBBB	04/11/2009
LBH	29/01/2010
LBTH	17/02/2010
Tescos	22/01/2010
EA	22/01/2010
London First	22/01/2010
Ballymore	29/01/2010