

Vauxhall Nine Elms Battersea Opportunity Area Planning Framework revised draft Chapter 12: Section 106/CIL: consultation period February – March 2011

Summary of consultation responses

Landowners

1. BT

- The scope of the DIFS and the approach to estimating the costs of infrastructure for growth is considered appropriate.
- The recommendation to implement a s106 tariff is generally supported.
- An approach to assist in the delivery of sites prior to the potential adoption of CIL should be outlined in section 12.5 of the draft s106 OAPF chapter.
- Section 12.5 should identify that each item within the recommended tariff must accord with the legal tests in terms of being acceptable in planning terms, directly related to the proposed development, and fairly related in scale and kind.
- Site specific, exceptional S106 items should be flexibly applied and should separately assess the level of contribution made for those items.
- It should be recognised that the overall purpose of the development tariff is to pool together monies for strategic infrastructure;
- In relation to the fourth paragraph in section 12.6 of the draft s106 OAPF chapter, the suggested 15% affordable housing option for the majority of the OA and in Lambeth “for sites within close proximity to the proposed station at Nine Elms and those which may not be suitable for family housing” is generally considered appropriate in determining the exact proportion of affordable housing as part of wider development proposals.
- Clarification is also sought on whether the 15% target is based on units or habitable rooms within a development.
- The above approach in reducing affordable housing provision at certain locations is necessary to ensure there is sufficient funding for the Northern Line Extension (NLE) which is key to unlocking development potential across the OA.
- The justification for setting a different tariff for “Value Area 1” on the basis it can afford a materially higher tariff than other areas, is acknowledged. The single tariff for non-residential development (within which there are rates for office, mixed use retail, and retail charges based on benchmark commercial land values as opposed to residential land values) is therefore generally supported.
- Only the net additional floorspace should be relevant to the development tariff which is cited in the 106 chapter document and is supported.
- It is essential (as identified in paragraph 6.13 of the DIFS) to emphasise in section 12.8 of the OAPF s106 chapter that “it may be beneficial, or in some cases essential, to negotiate separately the standard charges with developers. This is to ensure that exceptional conditions arising

on a site or for a scheme can be properly accommodated.”

- Recognition (in section 12.8 of the OAPF s106 chapter) of staged payments if charges are high enough to compromise viability of a scheme is supported.
- It should be noted in section 12.9 of the OAPF s106 chapter that a form of flexibility in the development of a CIL charging schedule is critical to ensure the delivery of viable future developments.

2. Covent Garden Market Authority

- Expand para 12.3 to include criteria F(b) of DRLP policy 8.2.
- Impact of potential requirement to pay both VNEB tariff and CIL on development viability requires clarification and should be addressed in ch.12
- Should set out process for adoption of VNEB tariff and CIL tariff
- Tariff approach must be able to accommodate individual viability appraisals to allow for site specific considerations to be taken into account
- Where the tariff is to be charged on a ‘per sqm’ basis, it should be clarified on what measurement this should be calculated e.g. NIA/GEA
- Further clarification on issue of net additional floorspace should be provided
- Request for acknowledgement that NCGM is a special case due to the need to fund the redevelopment of the market through the proceeds of development of land surplus to CGMA’s requirements
- Clarity is required on land uses to which the tariff applies – should be defined by use class to avoid any confusion, e.g. ‘commercial uses’ – not clear what range of uses this refers to. Category of ‘mixed use retail is also confusing and requires explanation of what it comprises
- Table 12.3 should be explicit that the funding gap would rise to -£79m under the 40% affordable housing scenario.
- List of agreed contributions in table 12.4 should be updated to include the Tideway contribution and it should be stated that this represents a snapshot in time.
- Para 12.13 *‘Prospect of market recovery’* makes the funding gap not insurmountable – this implies a double counting as the estimated total of developer contributions already assumes property market recovery.

3. Royal Mail Group

- Section 12.4 needs to be updated to refer to the draft Mayoral Crossrail CIL and specifically VNEB’s inclusion in the charging schedule which will have a significant adverse impact on scheme viability within the OA.
- Section 12.5 should highlight that the double payment of s106 and CIL contributions will not arise whilst both charging mechanisms are in place.
- Section 12.6 should recognise other infrastructure benefits that a scheme could deliver such as a new school or a linear park – the provision of such benefits should be taken into account when seeking payments to the DIFS tariff.
- Section 12.8 – support the flexibility provided in section 12.8 which identifies that should the payment of the tariff be so high as to compromise the viability of the scheme, that staged payments will be agreed. This will ensure the deliverability of schemes, particularly given the current economic climate.

- Section 12.10 – we note that there are concerns regarding a funding gap for the essential and highly desirable infrastructure of the OA. Given this predicament, we strongly support the prioritisation of infrastructure projects.
- Section 12.12 – should highlight that the Tideway development has also obtained planning permission.

4. National Grid

- The tariff should be applied in the context of site specific financial appraisals, taking into consideration the development viability of each site separately. Specific circumstances, such as site preparation costs and site specific abnormalities must be allowed for within specific financial appraisals.
- Section 12.6 - support for the 15% affordable housing scenario. The wording is unclear as it refers to four value zones whereas fig 12.1 proposes two – this should be clarified. The priority that is placed on infrastructure over affordable housing is supported.
- 12.8 Charging tariff – an increase of £10,000 between 2010-15 and 2016-31 is inappropriate – a tapered approach comprising a small increase on an annual basis each year from 2015-2031 should be adopted.
- The statement “it is not yet possible to determine which projects will be prioritised” is misleading – other documents, notably the DRLP, have placed emphasis on the importance of delivering the NLE.
- Figure 12.2 is wrong – the correct figure is £780.4m, not £908.6m, which is not representative of the contributions secured via the VNEB s106 tariff, instead it covers the contributions received for development masterplans and individual s106 agreements.
- Para 12.3 appears to imply that there has been double counting of contributions from a ‘recovering property market’ as the rates included in the base calculations already appear to allow for this as it is implied that the funding gap might be even less than £58m. This needs clarification.

5. St James Group

- Section 12.4 – needs to be updated to refer to the draft CIL published for consultation by the Mayor in January 2011.
- Section 12.6 – support commitment to prioritising housing and agree that 15% affordable housing is the most appropriate option.
- Section 12.7 – paragraph refers to the four value areas in the DIFS, but the figure only identifies two (zone A and zone B).
- Section 12.8 – whilst the text allows for staged payments, the presumption is in favour of payments on commencement of development. Given the sums of money required it is unreasonable to anticipate full payment on commencement and the presumption should be in favour of staged payments, except for schemes where full payment on commencement is viable.
- Section 12.10 – the OAPF should identify some deliverable projects in the short term to ensure that early development benefits from transport improvements prior to delivery of the NLE.
- Figure 12.2 – the pie chart should be amended to reflect the figure in DIFS ch.17 under the table column ‘Funding sought via tariff’ which is £780.4m as opposed to £908.6m which is quoted in the draft s106 chapter.

- Section 12.12 - This section should be updated to include reference to the £30.9m secured in respect of Tideway.

6. Native Land

- 12.2 – In anticipation of the revised CIL Regulations being published in April 2011, the revised section 10 chapter should remain in draft and cannot be given weight in the consideration of planning applications until such time as the revised chapter has been the subject of a further round of public consultation and has been finalised.
- 12.4 & 12.5 – Clarification is required with regard to the relationship between CIL charging schedule and the tariff set out in the VNEB OAPF.
- 12.6 – it is fundamental that scheme viability is taken into account in the potential for the delivery of transport infrastructure projects. The chapter should recognise that individual scheme circumstances, constraints and viability are taken into account in the determination of planning applications to balance the costs of development against the need to provide for contributions towards transport infrastructure and affordable housing.
- 12.7 – this para refers to tariff zones, of which there are two, and advises that there are four different value areas. The text should be amended to provide clear clarification on the tariff zones.
- 12.10 – the revised chapter indicates that it is not yet possible to determine which projects will be prioritised within the OA. In seeking contributions towards transport projects, these should relate to the proposed scheme in question. As such, any payments towards infrastructure projects should relate to the proposed development.
- 12.12 – this para should be updated to reflect all major schemes where the level of contributions have been agreed.

7. Addition Land, Network Rail and Southwark Diocesan Trust

- Section 12.4 – this section needs to be updated to refer to the draft Crossrail CIL. Section 12.5 – this section should highlight that the double payment of S106 and CIL contributions will not arise whilst both charging mechanisms are in place.
- Section 12.6 – Support the prioritisation of transport infrastructure over affordable housing. However, this section should also recognise other key infrastructure benefits which a scheme could deliver such as on-site transport and infrastructure improvements and improved access and connectivity.
- Section 12.8 – the threshold over which a development is required to make a payment to the tariff will mean that all development within the OA will be required to make a tariff payment. The threshold at which a payment of the tariff is required should be set at a more realistic level which does not catch smaller scale developments which in many instances are already at the margins of viability.
- Section 12.12 – the document should highlight that the Tideway site has also achieved a resolution to grant planning permission.

8. CLS Holdings

- The relationship between the proposed Crossrail CIL charge and the VNEB tariff should be fully assessed with regard to development viability. It should be made explicit in chapter 12 that the s106 contributions will be linked to viability on a site specific basis.
- Consideration should be given to including the cost of resolving Vauxhall gyratory within the proposed tariff funding.
- CLS Holdings has concerns about the relationship of NLE contributions to the funding of other equally important infrastructure. There is no certainty over the receipt of a significant proportion of NLE funding. Chapter 12 makes no acknowledgement of this and there is no discussion about what happens in the scenario where only part of the required funding for infrastructure is obtained.
- CLS is concerned that the GLA is undertaking detailed consultation on a tariff mechanism without a clear strategy for how and when infrastructure will actually be delivered. Unless there is a guaranteed timetable for the NLE, much of the new private finance required will not commit, which will delay tariff receipts and consequently delivery of the NLE. The NLE will not be delivered until all the funding is committed yet it may be 15-20 years before all of the money required is raised.
- The tariff should be zoned, with payments towards the NLE weighted in relation to benefit received. Developments in Vauxhall should pay less towards the NLE and more towards local improvements required in Vauxhall.
- Further clarification is required of the site specific s106 items that require funding by individual development sites outside of their tariff contributions.
- There should be no difference in the treatment of affordable housing between Lambeth and Wandsworth. The tariff is tested at 15%, which should be stated as being a maximum target for affordable housing across both boroughs.
- The draft document does not set out any priority for delivery of projects. In order to assess the benefit, plan for development, and ensure deliverability, the GLA should set out what projects will be prioritised as funding is obtained.

9. Treasury Holdings

- Section 12.2: We note that the last paragraph of this section explains that, due to expected publication of revised CIL Regulations in April 2011, the Chapter may need to be revised. If this is the case, then REO proposes that changes to the Chapter are the subject of formal public consultation.
- Section 12.4: This section will need to be updated to refer to the Draft CIL, which was published for consultation by the Mayor in January 2011.
- Section 12.6: REO supports the commitment to prioritising transport above affordable housing in the VNEB OA and agrees that the 15% option is the most appropriate option based upon the evidence provided in the DIFS.
- Section 12.7: It is confusing to read the first paragraph of 12.7 next to Figure 12.1, as the paragraph refers to four different value areas, while the figure only indicates two areas. Therefore the figure or the text needs to be updated in order to resolve this confusion. Further to this, the Battersea Power Station site is left out of the proposed tariff zones, however there is no annotation to indicate why. This issue needs to be addressed to avoid confusion.
- Section 12.8: The heading of Table 12.1 should be updated to say *“Proposed S106 tariff charges for the OA, based on 15% and 40% affordable housing and*

property market recovery after 2015". The final paragraph of Section 12.8 indicates that the Strategy Board will deal with the administration of contributions from the Opportunity Area, including the management and distribution of funds. However, it is REO's understanding that the Strategy Board is not able to make decisions of this nature as it is not a legal decision-making entity. Therefore this paragraph should be rewritten to indicate that the Strategy Board will undertake an advisory role and make recommendations to the relevant charging authority on how funds should be allocated.

- Section 12.9: This section should also make reference to the London-wide CIL and respond to comments made above in relation to Section 12.4.
- Section 12.10: REO strongly objects to the statement: *"It is not yet possible to determine which projects will be prioritised"*. Clearly the NLE is the priority project for the OA, and is recognised in local and regional policies as such.
- Figure 12.2: The pie chart should be updated to reflect the figure stated within the DIFS in Chapter 17 under the table column "Funding Sought via Tariff", which is £780.4m as opposed to the £908.6m which is quoted in the draft S106 chapter.
- Section 12.12: This section should also include reference to the £30.9m agreed for the Tideway Wharf site.

10. Ballymore

- It is welcomed that Section 12.4 recognises that the VNEB OA presents a special case and has been omitted from the Central London charging area for the purposes of Crossrail SPG. However, as recognised in Section 12.2, Section 12.4 should also be amended in due course to respond to the Mayor's preferred option for the Mayoral CIL.
- As acknowledged in Section 12.5 (Charging Mechanism), the DIFS recommendation for a tariff should be used as the basis for S106 applications submitted prior to the introduction of the VNEB OA CIL.
- It is welcomed that Section 12.6 recognises that strategic transport projects critical to the success and viability of the OA should be prioritised above affordable housing within the VNEB OAPF. However, up until the adoption of a VNEB OA CIL, Sections 12.5 and 12.6 should be amended to acknowledge the status of the S106 tariff and recognise that the level of tariff contribution and affordable housing provision should be determined on a site by site basis subject to the aforementioned factors.
- Further clarification should be provided on the proposed mechanisms and management structure for collection and distribution of collected funds. Section 12.8 states that the VNEB OA Strategy Board will oversee the administration of contributions.
- Section 12.9 should also refer to the proposed Mayoral CIL in the context of the comments made in relation to Section 12.4 above.
- The DIFS and revised Chapter 12 of the draft VNEB OAPF identify the infrastructure projects required to support development within the VNEB OA. They do not however prioritise between these projects.
- Section 12.10 recognises the important role that the VNEB OA Strategy Board will play in prioritising delivery of infrastructure projects within the OA. It is essential that the Strategy Board agree how infrastructure projects will be prioritised and contributions distributed to support delivery of development incrementally.

11. Green Property (Kish Six Ltd)

- Supports the principle of funding new infrastructure in the VNEB area through development contributions. However, it is important that the contributions that are sought do not harm the viability of individual schemes. It must be recognised that whilst the levels it suggests may be appropriate to the majority of sites, there will be some sites where it may not be achievable due to individual site circumstances.
- The OAPF should acknowledge that some applications may need to be the subject of individual viability testing to inform the maximum contribution that can be made towards infrastructure whilst ensuring overall scheme viability is not compromised.
- The draft revised chapter provides no explanation as to how existing floorspace is to be taken into account in calculating the level of contribution that will be sought from a scheme. The calculation methodology adopted for the Crossrail SPG takes account of existing floorspace where this includes uses that are chargeable. Similarly, the revised OAPF chapter should make clear that the impact of existing floorspace will be offset in calculating the full financial contribution.
- As drafted, the default payment timing is upon commencement of development. There is no requirement under s106 for the payments to be linked to commencement. In order to ensure the greatest prospect of scheme viability the payments should, by default, be permitted to be linked to specified triggers in relation to floorspace or unit completions.
- The document should make clear the level of priority that will be given to seeking infrastructure contributions in relation to other potential scheme contributions and local benefits.

12. Sainsbury's

- Sainsbury's welcome the principle of a tariff to provide funding for infrastructure within the OA; however it is considered that there are several areas where the proposed approach requires clarification and possible modification as follows.
- Chapter 12 has not considered compliance with Reg 122 of the CIL Regulations 2010 There are serious concerns about the ability of a standard charge such as that proposed to comply with tests b) and c) because any such charge does not take account of the particular impacts of that development.
- Overall, there has been insufficient work to identify whether the infrastructure to be provided by the charge paid in respect of any development directly relates to that development and, further, whether it is related in kind.
- This lack of clarity also means that it is not possible to be satisfied that the tariff in any one case passes the 'scale test', i.e. that the amount sought is related, or "relatable", to the level of development proposed.
- Within the DIFS it is recognised at paragraphs 5.6-5.11 that the actual tariff a developer pays will have to reflect certain 'offsets.' This is of fundamental importance to the planned development at the Sainsbury's site because it is a proposed location for a new station associated with the planned Northern line extension. It should be noted that the provision of a station on the Sainsbury's site is not essential to the success of the proposed development. A high degree of caution is therefore required where the introduction of the CIL might affect the viability of development which does not create a need for the NLE.

- It is our view that the draft OAPF chapter should explicitly recognise that certain developments will require significant offsets in accordance with the DIFS and recognise the particular importance of works associated with the delivery of the NLE in this context.
- Section 12.6 and the proposal for two tariff levels lack clarity and would benefit from rewording or further explanation. Lambeth's current policy requirement is for 40% of housing to be affordable (assuming no public subsidy) and any deviation from this amount needs to be justified in terms of development viability. The tariff as currently set out presupposes the amount of affordable housing to be provided within developments and therefore does not accord with the development plan.
- The chapter would benefit from greater clarity in terms of specifying what contributions would be sought beyond the tariff (if any) through scheme-specific section 106 and section 278 agreements.
- The proposed tariff is detailed at section 12.8 of the draft chapter. For viability reasons, we would suggest that phased payments are likely to be required for the majority of major developments within the OA. We recommend that this is recognised in the chapter as being the likely scenario rather than an exception.
- It is understood that the tariff has been calculated having taken account of a residual development appraisal. As such the ability to pay the set levies is dependent upon the latent development value of a site over and above existing use. The assumption that all sites have the same ability to pay is thus fundamentally flawed.

Local residents/businesses and others

1. Art in the Open

- 12.10 - though the needs of cultural infrastructure and art in the public realm have not yet been identified, their role and communal value are expected to be of great significance to the development areas. Given this, including that a commitment to cultural infrastructure and art in the public realm will be sought through Section 106 and (CIL) within Chapter 12 is critical to help ensure that this commitment is followed through at the highest level.

2. Fentiman Road residents

- We are very concerned at the implicit emphasis in this consultation on the first call on s106 (or its successor) being to pay for the costs of the extension to the Northern Line. In our judgement the extension will be essential to the companies concerned in making their developments pay, but it will be of much less benefit to those developments at the Vauxhall end and the people of Vauxhall, unless the station at Nine Elms goes ahead.
- We recognise that your consultation is not yet at the stage where the order of funding is determined (although we assume the developers at the Wandsworth end, at the very least, will wish to prioritise the funding of the NLE). We realise that a balance needs to be struck but we are concerned that benefits will accrue largely to the Wandsworth and not the Vauxhall ends.
- There is an urgent need for additional green space, and improvements to existing green space, particularly Vauxhall Park, at this end. The area is also very short of secondary school places.

3. Friends of Vauxhall Park

- Chapter 14 of the DIFS report ignores recognised open space standards. The linear park is insufficient and is not guaranteed.
- Incorrect priorities identified for improvements to Vauxhall Park - the play area would benefit from investment but no cost estimates have been sought which makes the figures provided in the document questionable. Tennis courts need new surfacing and nets.
- Why is it assumed that the linear park will be covered by s106 agreements when chapter 12 specifically forbids more than five sites getting together to cover costs. Disagree with the statement that there is no need for land to be considered as an in-kind benefit.
- The analysis of how the park should be funded and managed is not sufficiently detailed. Does not take account of health and wellbeing benefits of parks which in the long term bring down costs of hospitals/doctors etc.
- Crossrail contributions – support the statement that VNEB OA presents a special case and is to be omitted from the Central London charging area for contributions.
- Tariff Zones – Why is the tariff to be paid on commencement of the development? A 1% tariff should be paid at the outset of any application for planning consideration by the local authority, with a further 4% paid over at the point of granting the planning application. Subsequent staged payments could then be agreed as the buildings are constructed.
- Strategy Board – who will be paying for this? Why is this needed? Surely Local Authorities have already sufficient powers and in any event much development is already happening in the Vauxhall Cluster.
- Contribution split – *“It is not yet possible to determine which projects will be prioritised. However whilst it is recognised that NLE is vital to the success of the OA, a number of other transport and non-transport infrastructure projects are also required to make the development successful”*. Transport is a critical concern, but so is green space if it is to be a thriving community. On that basis, the key projects should be determined before the area is given authority to commence. I note with increased concern that an original proposal for 5.2 hectares of green space for the Linear Park has already diminished a year after the original consultation.
- Conclusion – There is already a £58m funding gap for infrastructure identified. Leaving the infrastructure projects until later will ultimately lead to a cutback in these to reduce that and can only result in an undesirable development. Perhaps too much is being squeezed out of too small an area even one as central to London as this?

4. Kennington Association Planning Forum

- The Study suggests the 4 form Primary School in Wandsworth would need a site area of 1.7 ha. The Study suggests the 2 form entry Primary School in Lambeth would need 0.6 ha. This latter site area seems too low by comparison with the former.
- The Study could reasonably be criticised for not making clearer provision for secondary education (total child yield for 11-15 years being between 621 and

1,236 (15% and 40% affordable 'bookends'). It relies on assumptions that some children will travel to other boroughs or be educated privately.

- Based on the Lambeth Council estimates of early years provision adopted in the Roger Tym report, there would be a need for approximately three or four forms of entry for Early Years provision.
- The whole section on health is speculative not least because it is still unclear whether the residential development is going to make a contribution to the acute housing need within Lambeth and to a lesser extent within Wandsworth.
- Neither Wandsworth nor Lambeth are able to absorb any more customers into their existing primary health provision and the impact on Guys and St. Thomas NHS Foundation Hospital has not been calculated, but is likely to be significant. Maternity services throughout GST, Kings College and St. Georges in Wandsworth are all oversubscribed, as is the community maternity service.
- Much more work needs to be done on the healthcare infrastructure assessment before the cost can be reliably determined. Capital estimates provided by the PCTs are very preliminary and it is unclear how or what could be levied from the clients/developers.
- The policing and emergency services resources required significantly exceed what is proposed. Lambeth Police already sustain significant responsibilities for policing and security within the current Priority Area. The Lambeth part of the opportunity area would need to reflect the new model of Neighbourhood Policing without robbing the existing north Lambeth cluster.
- Within the context of a Priority Area the challenge of policing a major industrial building site is ignored in the consultant's report as is the impact on other emergency services as well as the British Transport and River Police.

5. KOV Forum

- 40% of affordable housing is the appropriate tariff for developments, subject to new affordable housing being family sized.
- Affordable housing and removing the Vauxhall Cross gyratory should take higher priority over the Northern Line extension
- Does not support the Northern Line extension
- Believes that the existing network of overground lines could be improved by the opening of closed stations
- Would like to see proposals for river transport and walkways

6. Lansdowne Residents Association

- The Lansdowne Residents Association is deeply concerned by the funding gap for the CIL/Section 106 funding needed to make the Vauxhall Nine Elms Battersea (VNEB) OA viable. We are alarmed by the estimate of the KAPF (Kennington Association Planning Forum) that a more realistic amount for the funding gap is £651m, rather than the £58m quoted in the Development Infrastructure Funding Study. We also question whether the developers will accept having to pay £128m in addition to the developer tariff.
- Transport (paras 12.1, 12.10, 12.11 etc): We believe the NLE plans are unrealistic. Upgrading the transport infrastructure is crucial to the success of the VNEB OA. The contingency element of the NLE funding has been reduced by £240m bringing the budget down from £800m (calculated on the official

guidance given by the Department of Transport) to £563m. There is no justification for this. It is likely to mean that the NLE will not get built.

- Infrastructure (para 12.11): We are concerned that dropping a new secondary school and downgrading the medical facilities will be short sighted. The new housing is bound to put a strain on the existing education and health provision and will thus be detrimental to the existing community.
- Linear park (12.1, 12.11): We are alarmed that this has shrunk by 8 ha to 3.5 ha: the KAPF calculates that 10 ha of open space should be available in this area of open space deficiency. The park is required for recreation, exercise, sunshine and play. It is a vital amenity for a successful development.
- General (paras 12.2, 12.3): We understand the need to resolve the issue of infrastructure funding for developments that are coming forward at the moment, but we urge that no figures are finalised until the Government review of the CIL/Section 106 arrangements are completed.

7. NHS Wandsworth

- 12.2 – should chapter 12 need review following the publication of CIL Regulations, the PCT would expect any changes to be the subject of formal consultation particularly if the new Regulations place obligations on how to allocate money.
- 12.4 – the proposed Crossrail CIL would have a negative effect on the funding of infrastructure in the OA and may also affect the viability of some development. It is imperative that VNEB is either excluded from the charging area or given a zero charging rate.
- 12.5 – the PCT does not agree that the capital cost of providing the predicted level of new primary care provision is £4.5m, as set out in section 17 of the DIFS. The DIFS identified a requirement for £12.4m to provide space for 11 GPs. The PCT does not agree with the DIFS that the provision of primary care facilities is not considered to be in the ‘big ticket’ infrastructure projects given that it is an essential requirement. The approach to revenue funding in the DIFS and chapter 17 is inconsistent. Issues with the time lag between Health Service funding and population growth are acknowledged in para 10.32 of the DIFS but disregarded in table 17. Revenue items are however included for increasing bus capacity and pump priming new services. Given the uncertainties over mainstream public funding and revenue costs, chapter 12 should not make reference to table 17. If the intention is only to make reference to the extent of infrastructure required then this could be dealt with more satisfactorily by reference to a list of infrastructure projects in an appendix to the OAPF.
- 12.8 – if the Strategy Board is not a corporate entity having the authority to administer funds and enter into agreements, it should only have an advisory role making recommendations to the charging authority and this para should be amended accordingly.
- 12.10 – discrepancy between paras 12.8 and 12.10 over the role of the Strategy Board in allocating and distributing funds. It is important that the responsibility for the allocation of funds is clarified in the OAPF.
- Fig 12.2 – as stated in relation to para 12.5 above, the PCT does not agree that the capital funding for health is £4.5m and the pie chart should be amended to reflect the capital cost of health projects without public funding. Furthermore the contribution split should also be adjusted to ensure that there is consistency between revenue funding of essential projects.

8. Thames Water

- Section 106 agreements cannot be required to secure water and waste infrastructure upgrades, however it is essential to ensure that such infrastructure is in place to avoid unacceptable impacts on the environment.
- It is essential that developers demonstrate that adequate capacity exists both on and off the site to serve the development and that it would not lead to problems for existing users.
- It is important that the document includes a policy covering the key issue of the provision of water and sewerage infrastructure to service development.

9. Vine Housing Cooperative

- The VNEB infrastructure study seems desperately trying to find a magic formula that will make cramming 16.000 dwellings and 25.000 new jobs into the VNEB Opportunity Area appear feasible and justifiable.
- The funding gap would be considerably larger, if the contingency fund for the Northern Line Extension was at 57% "optimism bias", as recommended by Dept of Transport official guidance, as opposed to a 5% risk premium.
- The open space requirements for Lambeth have conveniently been done away with altogether.
- If the open space section of the VNEB infrastructure study is anything to go by, this doesn't bode well for any of the other infrastructure needs, such as schools, hospitals, open spaces, sports facilities emergency services or any other infrastructure that isn't the NLE or the Linear Park.
- There seems to be a great need to reconsider the density and scale of the proposed developments in the VNEB OA whose contributions to mitigate the extra pressure they will put on infrastructure and public services won't add up.

10. Waterloo Community Development Group

- Do not consider position with regard to affordable housing to conform to PPS1, PPS3, the London Plan or LBL planning policy. The NLE is not critical to that part of the opportunity area in Lambeth. The 15% proposed will not ensure mixed and balanced communities, including insufficient family accommodation and facilities for families.
- The proposal to zone the OAPF area on the basis of the value potentially generated on some sites runs counter for the requirements in 05/05 that s106 or CIL should be related to the impact of the development, not its profitability. It is not a development tax.
- The figures in the draft charging tariff are inexplicably at odds with recent local and London wide experience. Wood Wharf generated an agreement worth £17,500 per residential unit rather than £20,000 - £50,000 proposed. Developers for the proposed 370 units at the Bondway site presented a viability case which would not have been able to meet the £7.4m and 40% affordable housing proposed in this policy for the housing element alone.
- Why is the amount sought from hotels so much lower than offices when the mitigation required for a hotel is likely to be greater than that required for an office block? No rationale for this figure is provided.

- What is the mechanism for developers to forego part or all of the tariff in the event of viability issues being raised? This is not made clear in the document.
- We are very concerned about transparency, accountability and conflicts of interest in the suggestion that the administration, management and distribution of funds will be undertaken by a Strategy Board which is appointed not elected, has a majority of non-elected places, and has developers on board who will be providing the contributions in the first place.

Local authorities/Assembly Members

1. Lambeth Council

- The chapter does not consider other aspects of development that could and should be lawfully and appropriately sought through s106 measures to mitigate the impact of development in the area and adjoining areas.
- There should be recognition of the need to include provision for measures to address the issues that affect existing residential communities in the wider catchment area such as housing quality and environment.
- Funding mechanisms – there is a case to indicate that other funding opportunities should be pursued e.g. TIF towards NLE and direct infrastructure funding by LB Wandsworth. Reference to the need to address the issue of frontloading and seeking additional forms of finance should be included.
- Proposed tariff contribution split – further consideration of the collection, prioritisation and allocation of funding is needed. This includes how impacts on existing communities will be mitigated.
- Crossrail CIL – the CIL will have a significant impact on the availability of funding for the OA and this needs to be addressed as part of the overall approach to the setting of the tariff.
- The reference in para 129 to Wandsworth and Lambeth Councils having their own CILs in place by 2012 should be deleted. Lambeth has an effective and successful Section 106 SPD which will be updated on an interim basis this year to reflect the adoption of the Core Strategy and other considerations. Follow this we will begin work on the preparation of our CIL.
- Affordable housing: the proposed approach would not realise the potential of the area in providing such housing or making contributions for affordable housing to be provided or enhanced elsewhere. The 15% approach is contrary to Lambeth Core Strategy policy. The 40% level should be reinstated and applied to both boroughs with a sliding scale between 15% and 40%.
- Transport and other infrastructure: we continue to be of the view that the infrastructure impacts in Lambeth attributable to VNEB development should be fully funded by the s106 tariff.
- Improvements to Vauxhall rail station are being funded through NSIP and section 106 contributions that have already been collected. It is considered appropriate to acknowledge this and also to ensure that there is no double counting in the references to this s106 funding in the figures setting out availability of funding for other purposes in tables 12.2 and 12.3.

2. Wandsworth Council

- The agreed section 106 package for Tideway (£33,017,150) should be added to table 12.4.
- There is concern that some potential infrastructure funding will be lost as a result of Lambeth Council choosing to seek 40% affordable housing in parts of the OA in its borough. However, it is considered that this will have a relatively small impact on the total tariff to be collected, somewhere in the region of £10m.
- Further work is also underway through the OA Governance Structure to identify how the infrastructure can be financed and possible use of more innovative funding approaches, such as Tax Incremental Financing. It is suggested that some reference to this work and other potential sources of funding are referred to in Chapter 12.
- Table 12.3 includes £30m funding from New Homes Bonus which will be required to support initial funding on Council services in the OA and should not therefore be included as a funding source for the infrastructure. This increases the funding gap to £88m.
- The consultation draft chapter proposes that a joint CIL schedule is prepared by Lambeth and Wandsworth Councils. However, it is proposed that the Councils should progress their CIL Charging Schedules on a borough basis as this Council is already drafting its CIL Charging Schedule for which its Preliminary Draft Charging Schedule should be published for consultation in late April 2011. It is proposed to work towards a submission deadline for examination of October 2011 and adoption by April/May 2012.
- An omission from the draft chapter is the potential impact of the Mayoral CIL on the funding gap for the OA. The draft CIL charging schedule that will help fund Crossrail has now completed the consultation for its Preliminary Draft Charging Schedule. It is currently proposed that it applies, albeit with varying rates, across all of London, including the OA. As the current proposals stand, this will top slice the contribution for the NLE and is opposed by the Council.
- It is also considered that further detail from the DIFS, including a more detailed Infrastructure list should be included within one of the Technical annexes of the OAPF, but this has not been included in the current consultation.

3. Richard Tracey AM

- Welcome revised draft chapter 12, which finally provides some clarity over the funding for this regeneration project. However, in doing so it reveals a worrying shortfall of £58m.
- The funding gap could be much larger than £58m as many crucial items are omitted from the list of infrastructure. e.g. the cost of increasing escalator capacity at Vauxhall Underground station, estimated to be £111-250m, has been ignored when calculating the total cost of infrastructure. Other omissions include revenue funding for the new education, healthcare and community facilities.
- Endorse the proposal to set the level of affordable housing at 15% rather than the usual 40%.
- The current proposal for a Mayoral Community Infrastructure Levy (CIL) for Crossrail threatens to divert money away from the VNEB area. I strongly urge you to set the Mayoral CIL for the VNEB area at zero, or at a negligible rate.

- Creating an Enterprise Zone in this area, or using Tax Increment Financing, would help to bridge the funding gap. If the VNEB area was designated as an Enterprise Zone, borrowing could be undertaken against the future income generated by business rate growth for Wandsworth and Lambeth Councils. Such borrowing would make a significant contribution to reducing the shortfall. Similarly, I believe that Tax Increment Financing needs to be explored as it could help to deliver the necessary transport upgrades in the area.