**APPENDIX 1**

The Planning Inspectorate

# Report to Westminster City Council

**by Philip Staddon BSc, Dip, MBA, MRTPI**

**an Examiner appointed by the Council**

**Date: 23 December 2015**

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

**REPORT ON THE EXAMINATION OF THE WESTMINSTER CITY COUNCIL DRAFT COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE**

Charging Schedule submitted for examination on 9 October 2015

Examination Hearings held on 30 November 2015

File Ref: PINS/X5990/429/5

| Non-Technical Summary |
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| This report concludes that the Westminster City Council Community Infrastructure Levy (CIL) Draft Charging Schedule provides an appropriate and viable basis for the collection of the levy in the area.<br><br>The Council is able to demonstrate that it has sufficient evidence to support the schedule and can show that the levy rates would be set at levels that will not put the overall development of the area, as set out in The London Plan and Westminster's City Plan, at undue risk. The proposals will secure an important funding stream for infrastructure necessary to support planned growth in the City of Westminster. A minor modification is required to update the zoning plans contained in the schedule, for clarity. |

## Introduction

1. This report contains my assessment of the Westminster City Council Community Infrastructure Levy (CIL) Draft Charging Schedule in terms of Section 212 of the Planning Act 2008 (as amended) and the associated CIL Regulations 2010 (as amended). It considers whether the schedule is compliant in legal terms and whether it is economically viable, as well as reasonable, realistic and consistent with national guidance set out in the National Planning Practice Guidance (PPG).

2. To comply with the relevant legislation and guidance, the local charging authority has to submit a charging schedule that should set an appropriate balance between helping to fund necessary new infrastructure and the potential effect of the proposed CIL rates on the economic viability of development across its area.

3. The basis for the examination, on which Hearing sessions were held on 30 November 2015, is the submitted Draft Charging Schedule (DCS), which was published for public consultation between 12 June 2015 and 24 July 2015.

## The City of Westminster

4. At the outset, it is necessary to explain briefly the development context in Westminster, which was described in the Council's opening statement at the Hearing as 'more unique than most'. The City of Westminster is indeed extraordinary. It covers just 2,149 hectares in the heart of central London. About 40% of its area comprises open spaces, principally the Royal Parks of Regent's Park, Hyde Park, Green Park and St James's Park.

5. The remaining 60% constitutes one of the most highly developed and complex urban areas in the world. It contains the seats of Government and the Monarchy and is home to over 50,000 businesses with over 700,000 employees, most of whom commute every day, principally by rail, the Underground and bus. Westminster also includes shopping (notably Oxford

Street, Regent Street, Bond Street and Knightsbridge), entertainment (the West End), visitor attractions and tourist facilities of national and international importance and renown.

6. In addition to these diverse commercial and cultural uses, it is home to a resident population of around 230,000 who live in neighbourhoods ranging from some of the most deprived to the most affluent in London (and indeed the U.K.).

7. Most of the City’s area (78%) is covered by Conservation Area designations and there are over 11,000 listed buildings, 21 registered historic parks and gardens, two scheduled monuments and five areas of archaeological priority.

8. All of these factors combine to create a complex urban context, where development pressures, constraints and land / property values can be unprecedented. In terms of new development, there are no vacant sites available for release and most new schemes involve ‘recycling’ of existing buildings and floorspace for higher value alternatives, often involving mixed uses. It is in this unique context that the Council’s CIL proposals have been developed and need to be assessed.

**The Council’s CIL proposals**

9. The Council’s CIL proposals include charges for new residential development and for new commercial development.

10. The residential charges would relate to all ‘C’ Use Class[1] developments. The Council proposes three charging levels based on defined zones termed ‘Prime’, ‘Core’ and ‘Fringe’. The ‘Prime’ rate would be £550 per square metre (psm) and this zone includes St John’s Wood, Knightsbridge, Belgravia, Mayfair, Strand and St James’s. The ‘Core’ rate would be £400 psm and this zone would include the areas of Bayswater, Paddington, Maida Vale, Marylebone, Soho and most of Pimlico. The ‘Fringe’ residential CIL charge would be £200 psm and this would apply in Queen’s Park, Westbourne Green, Lisson Grove and a small part of Pimlico, the Churchill Gardens estate.

11. The commercial charges would apply to all new developments of *“offices; hotels, nightclubs and casinos; retail (all ‘A’ use classes and sui generis retail).”* The charges are similarly differentiated by geographical area, but the commercial charging zones do not coincide with the residential zones. The ‘Prime’ commercial charging zone would have a rate of £200 psm and covers the commercial heart of the city which approximates to (but does not exactly mirror) the area long defined as the Central Activities Zone (CAZ). The CAZ comprises most of the southern half of the city spanning from Kensington Gardens in the west to the Royal Courts of Justice in the east, including Mayfair, Soho, St James’s and Covent Garden. ‘Core’ zone areas, which would attract a £150 psm charge, are defined to the north and south of the Prime zone. A ‘Fringe’ zone, where a £50 psm rate would apply,

[1] The Town and Country Planning (Use Classes) Order 1987 (as amended).

would cover the northern parts of the City's area (broadly equating to the area north of the Westway corridor).

12. The DCS specifies that development of 'all other uses' would incur a Nil CIL charge. For the avoidance of doubt, all of the CIL rates quoted above are exclusive of the Mayoral CIL rates.

13. At the Hearing sessions, the Council indicated a desire to modify the DCS by replacing the zoning plans with updated plans containing Ordnance Survey grid lines. As this improves clarity and is a requirement under Regulation 12, I have reflected this minor modification in my recommendations.

**Background evidence – the relevant plan**

14. The 'relevant plan' for CIL purposes comprises The London Plan 2011 (as revised) and 'Westminster's City Plan: Strategic Policies' (WCPSP), which was adopted in November 2013. These two plans mesh together to provide the development plan framework for managing growth in Westminster. Whilst it is not the role of a CIL examination to revisit development plan issues, it is important to understand fully the "relevant plan's" approach to sustainable growth, in order that a balanced view can be reached on the potential effects of the CIL proposals on the economic viability of that planned development.

*The London Plan (as revised)*

15. The London Plan is the Mayor's high level spatial development strategy for the capital city. It sets out an integrated economic, environmental, transport and social framework for the development of London over the next 20-25 years. It seeks to manage growth and change in London to ensure it takes place within the current boundaries of Greater London without encroaching on the Green Belt or London's protected open spaces. It further seeks to ensure that London is a city that meets the challenges of economic and population growth; is internationally competitive and successful; with diverse, strong, secure and accessible neighbourhoods; a world leader in improving the environment; and somewhere it is easy, safe and convenient for everyone to access jobs, opportunities and facilities[2].

16. The London Plan sets clear strategic priorities to "…*enhance and promote the unique international, national and Londonwide roles of the Central Activities Zone"* [3] which covers large parts of Westminster. The Plan seeks to enhance the strategic role and functions of the Westminster area in terms of workspace (offices), shopping, cultural, tourism and night-time economies. It also sets a (revised) housing target of 1,068 dwellings per annum. The London Plan also identifies a number of 'opportunity areas' in Westminster.

17. It therefore plays a central role in delivering the ambitions, and the scale and type of growth, set out in the London Plan.

[2] Policy 1.1 of The London Plan
[3] Policy 2.10 of The London Plan

*The Westminster's City Plan: Strategic Policies (2013)*

18. WCPSP was adopted in November 2013. Informed by the higher tier London Plan, it reflects and articulates the planned growth and ambitions at a Westminster City level. It covers the period 'up to and beyond 2026/27'. The overall vision set out in the Plan is *"to make Westminster the foremost world class sustainable city: A city which values its unique heritage and accommodates growth and change to ensure the city's continued economic success while providing opportunities and a high quality of life for all of its communities and a high quality environment for residents, workers and visitors alike"*.

19. The scale of planned growth is substantial and signals further intensification of uses and development in the plan period to 2027. WCPSP anticipates commercial growth which would include an additional 56,000 new jobs and additional retail floorspace in excess of 200,000 square metres. WCPSP's housing delivery rate target was a minimum average of 770 new homes per annum (now increased by the London Plan revisions to 1,068 p.a.). It seeks to achieve in excess of 30% of new dwellings to be affordable homes over the plan period from all sources.

20. Achieving this scale and level of growth in such a concentrated, highly developed and constrained locality is not straightforward. However, the Plan's spatial strategy identifies three 'opportunity areas' that are planned to deliver substantial numbers of new homes and jobs, each of which is comprised of a number of component 'strategic sites'. The Paddington opportunity area is anticipated to deliver 1,000 new homes and 5,000 new jobs; the Victoria opportunity area, 1,000 new homes and 4,000 jobs and the Tottenham Court Road opportunity area, 420 new homes and 5,000 new jobs. In addition to those falling within the strategic sites in the opportunity areas (which number 13 in total), a further 21 strategic sites are identified in other locations, along with preferred uses. Altogether, these 34 strategic sites will accommodate much of the planned growth. Beyond these sites, other developments anticipated in the Plan period will be smaller scale local developments, typically involving recycling / redevelopment of existing buildings.

**Background evidence - infrastructure needs**

21. The WCPSP evidence base included a detailed Westminster Infrastructure Plan (IP) produced in 2009. The IP undertook a detailed analysis of infrastructure requirements needed to support the planned growth in the period 2006 – 2026. The IP has been refreshed and updated through the production of an Addendum to the IP (AIP), published in August 2014.

22. The AIP has factored in new growth data, the findings of the 2011 Census and has updated the portfolio of infrastructure projects with the latest costs and funding source information. For the period 2012 – 31, the Council assesses that the total cost of necessary infrastructure would be circa £2.6 billion. The highest proportions relate to utilities (46%), public realm (23%), Transport (13%) and Education (7%), with smaller proportions for Health, Sports and Leisure, Parks and Open Spaces, Community Services, Waste

and Emergency Services.

23. The Council has used a shorter time horizon (than the full AIP period) to examine the likely net funding gap i.e. the total cost of infrastructure minus funding from other (non CIL) sources. It has examined the six year period between 2012/13 – 2017/18, which gives a degree of certainty in terms of being part retrospective and part already planned in capital budgets. This calculation gives a gap figure of £645 million for the six-year period (or an annual unfunded gap of circa £107.5 million).

24. The Council has tested the potential CIL revenue by a hypothetical application of its proposed CIL charges against the last eight years of planning permissions (with deductions for existing floorspace and affordable housing). Although such an exercise may not accurately reflect planned future development, it is a reasonably good proxy and has the advantage of covering a full development cycle. The analysis revealed potential CIL revenues ranging from £5m p.a. up to £30m p.a., with the eight year average being £17.5m p.a. Most of this average annual revenue stream would have been from housing (£12.3 m) and offices (£3.3 million) with the balance from hotel, retail and other commercial use developments.

25. The evidence demonstrates that the infrastructure funding gap is substantial and provides a justification for the introduction of a CIL regime. It also demonstrates that CIL receipts would make a modest, but nonetheless important, contribution towards funding Westminster's assessed infrastructure needs. A substantial unfunded gap would remain.

**The Council's regulation 123 list**

26. The PPG makes clear that a charging authority should set out a draft list (known as a 'Regulation 123 list') of infrastructure projects or types of infrastructure that CIL receipts will be used to fund. This is to provide transparency on what CIL will fund and what may still be sought from S.106 planning agreements. The Guidance makes plain that it is not the purpose of the CIL examination to 'challenge'[4] the list. Notwithstanding the limited remit of Examiners in respect of the list, it is becoming increasingly common for representors to seek to influence it through the CIL consultation and examination processes. That has been the case in Westminster and therefore some commentary is appropriate.

27. The Council's Draft Regulation 123 List clearly sets out the categories of infrastructure the Council intends to fund from its CIL receipts. These include crime and anti-social behaviour infrastructure; educational facilities; health facilities; provision of enterprise space; public realm improvements; social and community facilities; sports and leisure; transport and highways (excluding site specific works); utilities and waste. The list does not set out specific projects nor does it indicate any prioritisation. It also makes plain that the list will be reviewed, amended and updated on a regular basis.

28. Challenges and questioning of the list came from a number of representors.

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[4] Planning Practice Guidance - Paragraph: 017 Reference ID: 25-017-20140612

Some wished to see additional infrastructure types included such as flood defences and fire service facilities. Others wished to see particular types of infrastructure more clearly specified in the list, most notably in terms of pedestrian and cycling infrastructure, biodiversity measures and the identification of specific public realm schemes. Some also questioned the clarity of the interface between CIL funded public realm works and those that may continue to be funded by S.106 Planning agreements on a site specific basis. There were also a number of related representations concerning how the 'neighbourhood portion' of the collected tariff would be governed and applied to local projects.

29. In my view, the Council's Regulation 123 list is clear and provides the transparency required under the Guidance. The Council has also produced a Supplementary Planning Document titled 'The Use of Planning Obligations and Other Planning Mechanisms' (August 2015) that has just completed a consultation stage, which gives further clarity and detail on how the two funding sources will operate, avoiding any 'double dipping' where a developer might otherwise be, potentially, charged twice for the same infrastructure.

30. Although the Hearing provided a useful forum for discussions about the content of the list, given the size of the overall funding gap, there are inevitably going to be some difficult decisions around prioritisation. In my view, the Council has clearly identified the key infrastructure required, drawn from its recent AIP, and provided the necessary transparency and clarity about the use of the CIL receipts. Adding further infrastructure requirements would simply increase the already significant funding gap and further strengthen the justification for introducing a levy.

31. The Council appeared alert to the sensitivities concerning the list content and prioritisation and did not underestimate the governance challenges ahead. It has also agreed to engage with neighbourhood organisations over the governance approach to the neighbourhood proportion.

**Viability evidence – modelling assumptions and proposed charging zones.**

*Methodology*

32. The Council commissioned consultants to undertake a Viability Assessment (VA) to support its CIL proposals. The evidence has evolved in two phases, firstly to inform the Preliminary DCS (PDCS) and, more latterly, to support the DCS. The June 2015 report is the substantive evidence document that consolidates and updates the full range of test results.

33. The VA uses a residual land valuation method whereby the total value of a development scheme is assessed before various assumed development costs (including developer profit) are deducted, to arrive at a 'residual' land value. In essence, this residual value is the amount that the developer would pay to the landowner. The methodology assumes that a landowner will require a 20% premium above the existing use value (EUV), in order to

trigger that sale for development. The use of EUV plus a premium has been widely endorsed in CIL examinations and is, in my view, more appropriate and robust than the use of historic market values (which some have suggested) which will have been the product of different market and policy circumstances from a different time period.

34. Many CIL studies focus on the viability modelling of 'notional' developments and this is usually undertaken separately for residential and various commercial development forms (retail, offices, hotels etc.). Westminster has adopted a sophisticated approach with the methodology skewed heavily towards 'real world' schemes. Altogether, it has tested 156 'proxy' developments, 136 of these are actual development proposals that have progressed through the planning system in recent years. These were supplemented by a smaller number (20) of hypothetical (or notional) schemes. About half (75) of the proxies were residential or 'residential led' schemes, with good samples of retail led (24 proxies), office led (26 proxies), hotels (16 proxies) and lesser number of other schemes (nightclubs, casinos etc.).The testing included 8 strategic sites which typically involved mixed use schemes.

35. I consider the methodology and approach to be rigorous, robust and entirely appropriate to the unique circumstances of Westminster. Indeed, it would be difficult to provide the evidential support for a CIL regime based solely on 'notional' site testing alone, given the absence of 'typical' sites and the often bespoke and mixed-use nature of real world developments.

*Modelling assumptions*

36. Although most proxies related to real world schemes, the Council has had to test viability using a range of assumptions about values and costs.

37. Residential sales values in each of Westminster's neighbourhoods were compiled from an extensive trawl of transactions (several thousand over a two-year period). This was supplemented by earlier sales value work commissioned by the Council (in respect of affordable housing) and through consultation with the Westminster Property Association. This enabled average sales values to be computed and the three value areas to be defined. The average sales values defined were £22,400 psm in the Prime area, £15,750 psm in the Core area and £11,000 psm in the Fringe area.

38. A similar approach was adopted in defining the commercial value zones. This used available data on rents and yields to define the Prime, Core and Fringe zones. Although there is some considerable overlap, the zones do not align precisely with corresponding residential zones. That is to be expected as the value considerations (residential sales values and commercial rents / yields) are different. There were some challenges to the precise boundaries in some areas and these are dealt with later in this report.

39. Profit levels were assumed at 20% of Gross Development Value (GDV) on market housing and 6% on GDV of affordable housing. Given the characteristics of the local market, and the generally lower risk profile of development in London, I regard the assumed profit level as more than

sufficient for testing purposes.

40. Affordable housing was modelled in line with policy requirements, in terms of proportion and mix. The modelled 'base' position was 35% (on sites over the size threshold) with sensitivity testing of other (lower) proportions. The affordable housing cost assumptions employed all appear reasonable.

41. Build cost assumptions were one of the few variables that attracted some challenge from representors. For all schemes, the Council adopted 'upper quartile' values drawn from the Building Costs Information Service (BCIS), which is widely used for benchmark purposes in CIL studies. The BCIS data was supplemented with known costs from recent local schemes. The Council confirmed that, in defining its build cost assumptions for different development types, it had factored in additional allowances where schemes were known to include facade retention (an additional 20%) and also included a build cost contingency (5%) and an external works allowance (10%). Furthermore, in response to the challenges expressed, the Council added a sensitivity test where build costs were inflated by 20%. Overall, I consider the build cost assumptions and approach to be reasonable for CIL testing purposes.

42. For the commercial development schemes, the rents and yields employed were well grounded and reasonable, being drawn from respected published sources.

43. Most of the other modelling assumptions conformed to reasonable industry norms. These included the application of Mayoral CIL at the requisite rates and the inclusion of Crossrail S.106 'top up' in line with the rates set out in the Mayor's guidance[5]. Costs associated with professional fees, marketing, finance, stamp duty, legal fees and acquisition costs were all reasonable. Residual S.106 costs were assumed at £20 psm for all development types, although it was accepted that these costs could vary.

44. One further assumption employed was that the tested development sites were treated as having no existing floor space. This differs from the Council's approach to estimating likely CIL revenue (where existing floorspace was deducted from the sampled developments). Given the highly developed context of Westminster and the nature of its identified strategic sites, this is unlikely to be the case. Most sites are likely to have some existing floor space, which would be netted off CIL liabilities. The effect of this seemingly artificial assumption is that, in most cases, there is a hidden viability 'buffer' i.e. less CIL (than that assumed in the modelling) will be payable once the existing floor space on any site is deducted.

**The viability modelling appraisal outputs and proposed CIL rates**

45. The output from the modelling is a summary spreadsheet of 'maximum' CIL amounts that could be sustained once all of the costs and profit assumptions have been deducted. Results are presented for each of the 156

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[5] London Plan Supplementary Planning Guidance April 2013 - Use of planning obligations in the funding of Crossrail, and the Mayoral Community Infrastructure Levy

proxies setting out the 'base' position, along with sensitivity analyses applying different (lower) affordable housing levels and (higher) build costs. Each of these results is supported by a more detailed scheme specific appraisal. Two general observations are worth noting before exploring the specific development types.

46. First, a third of the proxies generated results where the residual value is negative i.e. the end value of the development is unable to surpass the EUV plus the 20% landowner premium. At first sight, this may appear alarming. However, it is simply a product of the application of the modelling to a (largely) real world sample of development proposals, which will include viable and unviable schemes. Indeed, all of the 'not viable' results were from the 'real world' cohort (the notional schemes all being modelled as viable) and most involved residential development. A curiosity of Westminster is that the Council reported that a number of modelled 'not viable' schemes had actually been built out. This may reflect the relative caution built into the modelling assumptions and /or the fact that some investors are able and willing to take lower returns and a longer term view, given the strength of the Westminster property market.

47. Second, most schemes display positive viability and, in most cases, the ability to sustain CIL charges is significant i.e. schemes appear to be extremely profitable ventures. There are a small number of results where margins are tighter, but the vast majority of maximum CIL rates are well over £1,000 psm and the highest is £8,795 psm (or £7,950 with build costs inflated by 20%).

*Residential CIL – modelled outputs, CIL rates and zones*

48. The Council has averaged the maximum psm CIL rates for the residential led schemes to produce figures for each of the three zones. The results for the 'base' position (35% affordable housing where appropriate) are as follows: Prime - £3,471, Core - £2,769 and Fringe - £1,890 psm. Applying 20% inflated build costs as a sensitivity test reduces these numbers to £3,227, £2,319 and £1,319 psm respectively.

49. The evidence demonstrates that most developments can accommodate a substantial CIL charge without any threat to scheme viability. In terms of setting rates, many councils have used the approach of drawing back from the modelled maximums, usually by a percentage 'buffer'. However, Westminster has preferred to use a benchmark of 5% of total scheme development costs as its upper guide for rate setting. Its proposed residential rates for the Prime, Core and Fringe areas of £550, £400 and £200 respectively, build in substantial buffers (between 83-85%). In practice, once allowances for existing floorspace are deducted (it will be a feature on most sites), the effects of CIL on residential development economics in Westminster will be reduced further.

50. I considered the Council's approach to defining the residential CIL charging zones to be well grounded. Put simply, it is based on sales value intelligence. Unfortunately, whilst the (relatively) lower sales values in the Churchill Gardens estate in Pimlico justified its inclusion in the Fringe zone,

this was widely perceived by residents that there may be some hidden agenda i.e. development proposals that may threaten the estate.

51. From what I heard, this does not appear to have any foundation and there are no such proposals in the Council's development plan. In any event, this special area is rightly protected by its Conservation Area designation and the listing of its key buildings. Furthermore, it is important to recognise that CIL is not a policy tool and setting rates at a particular level is based on viability evidence alone i.e. a relatively low rate does not mean that (any) development will necessarily ensue. The Hearing provided a useful forum for the Council to help allay community concerns.

*Strategic sites*

52. Eight strategic sites were tested. These were typically mixed-use schemes on complicated sites. Two of the schemes were not viable under any realistic scenario. The remaining six displayed healthy viability, with maximum CIL rates ranging from £1,266 - £4,836 psm ('base' scenario with 35% affordable housing).

*Commercial CIL – modelled outputs, CIL rates and zones*

53. The commercial CIL modelled outputs displayed similar patterns. Offices generated the following average maximum results (the results from the sensitivity test with inflated +20% build costs are given in brackets): Prime - £3,100 psm (£2,625 psm); Core - £2,569 psm (£2,115 psm) and Fringe - £1,996 psm (£1,513 psm).

54. The retail development averages were: Prime - £3,407 psm (£3,034 psm); Core - £3,880 psm (£3,405 psm) and Fringe - £1,075 psm (£600 psm).

55. Hotel development averages were: Prime - £3,289 psm (£2,820 psm); Core - £2,036 psm (£1,797 psm) and Fringe - £454 psm (not viable). Nightclubs and casinos generated average maximum rates of well over £1,000 psm.

56. Although there are some variations between the development types, there is a very clear pattern of substantial surpluses available to fund CIL charges in most cases. The Council's decision to apply one set of commercial CIL charges is simple, sensible and supported by the evidence. The actual commercial rates proposed for the Prime (£200 psm), Core (£150 psm) and Fringe (£50 psm) would build in very substantial buffers (between 89 – 97%) and represent only a small element of development costs.

57. The Council's commercial CIL charging proposals have attracted support, along with some challenge. Support was expressed in particular for the reduction (from the PDCS) in the rate applicable to Prime area office developments. A degree of challenge has been expressed in terms of whether the commercial CIL rates should be set higher, given the demands on infrastructure, along with some fears that the rates may encourage commercial uses into areas where they are not desired (i.e. residential neighbourhoods such as Belgravia).

58. My remit is limited to considerations of threats to viability and I find the Council's proposals to be robust in this respect. The evidence suggests higher rates could be sustained, but the Council has taken a view that its first CIL regime should be suitably cautious. It has also been cognisant of CIL charges set in neighbouring boroughs, albeit this is not required by the relevant legislation. The future level of charges will be a matter that the Council will no doubt consider in its ongoing review (it proposes a two-year review cycle). I consider it most unlikely that the lower (than residential) commercial CIL rates would create unintended influences on the location of development types. CIL will be a relatively limited development cost and is unlikely to play a determining role in landowner and developer decision making.

**Overall conclusions**

59. Westminster is a very diverse and intensively developed urban area. The planned growth and development pressures are substantial and complex. The Council's CIL proposals have been conceived in this context and the supporting evidence reflects the unique nature of the area.

60. The evidence demonstrates that the overall planned development of Westminster, as set out in the combined content of The London Plan and WCPSP, will not be put at risk if the proposed CIL charges are applied. Indeed, the evidence demonstrates that, in most cases, the CIL rates would allow substantial viability headroom, which indicates that CIL will not threaten the progress of residential, commercial and mixed-use development schemes coming forward.

61. I conclude that, in setting the CIL rates, the Council has used appropriate and available evidence that has informed assumptions about land and development values and likely costs. The CIL is anticipated to achieve an important income stream that will help to address a well evidenced infrastructure funding gap.

62. One modification is required to the DCS. This relates to the updating of zoning plans, for clarity and precision. Subject to this modification, I conclude that the Westminster City Council Draft Community Infrastructure Levy Charging Schedule (June 2015) satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended). I therefore recommend that the Charging Schedule be approved.

| **LEGAL REQUIREMENTS** | |
|---|---|
| National Policy / Guidance | The Charging Schedule complies with national policy / guidance. |

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| 2008 Planning Act and 2010 Regulations (as amended) | The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, and consistency with The London Plan and Westminster's City Plan and is supported by an adequate financial appraisal. |

*P.J. Staddon* Examiner

Appendix A (attached) – Examiner's Modifications.

## **Appendix A**

Modifications that the Examiner specifies so that the Westminster Draft Charging Schedule may be approved.

| Modification No. | Modification |
|---|---|
| EM1 | Update Zoning Plans<br><br>Replace zoning plans in the June 2015 Draft Charging Schedule with plans containing Ordnance Survey gridlines.<br><br>For the avoidance of any doubt, the zones are unaltered. |