

DP4761/AMM/MAK

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Dear Sir/Madam,

**LONDON BOROUGH OF CAMDEN**  
**COMMUNITY INFRASTRUCTURE LEVEL DRAFT CHARGING SCHEDULE**

**REPRESENTATIONS BY FOLGATE ESTATES**

On behalf of our client, Folgate Estates, we are writing to submit representations regarding the London Borough of Camden consultation on the Draft Charging Schedule (DCS).

Folgate Estates own a large industrial site in the northern part of Kentish Town, referred to as Murphy's Yard, and is in ongoing discussions with Camden regarding development potential of the site to bring forward a comprehensive mixed-use development including a significant amount of commercial floorspace, industrial, office and supporting retail uses, as well as new residential units.

**REPRESENTATIONS**

The site is located within Zone C as identified on Camden's Draft Charging Schedule (DCS). The adopted Camden Community Infrastructure Levy (CIL) Charging Schedule (April 2015) sets a rate within Zone C for industry, warehousing, research and development of £0 per sqm (GIA) of development, whilst office and retail floorspace within Zone C is set at a rate of £25 per sqm (GIA). Residential use is currently charged at a rate of £500 per sqm.

The DCS proposes a Zone C rate of £30 per sqm (GIA) development for office, and research and development floorspace which it has identified as B1, and £30 per sqm for retail uses. The industry and warehousing rate within the DCS remains at £0 per sqm (GIA) of development, and the charge for residential use is increasing to £613 per sqm.

*Residential use*

As set out above, the Murphy's Yard site falls within Zone C as identified on Camden's 2015 CIL Charging Schedule, and this is unchanged in the current DCS. The boundary between Zones B and C is drawn along the Site's southern border (i.e. the rail line that separates the Site from the Regis Road Growth Area to the south—collectively these sites form the Kentish Town Industrial Area). Folgate Estates



recognises that the increases to the Zone C B1 office and retail rate (from £25 to £30 per sqm) and residential rate increase (from £500 to £613 sqm) are adjustments to rebase the charges to take account of indexation and have no objection to this on principle.

Folgate Estates are concerned, however, that the residential charge for Zone C remains significantly higher (double the rate) than the charge for residential development in Zone B. This reflects the approach to zoning within the 2015 Charging Schedule following “clearly recognisable geographical boundaries such as major roads and railways” (as described in the Inspector’s Report on the Examination of The Draft Camden Community Infrastructure Levy, dated 16 December 2014), which results in the site being considered in the context of Hampstead Heath and Highgate residential values instead of Kentish Town values, which are significantly lower. As shown in Table B2 of the CIL Economic Viability Assessment (“**The GVA Assessment**”), prepared by GVA in June 2014 to support the emerging CIL rates at that time, as well as Table 1 of the 8 October Addendum Report to that document, the residential values (in the 2012 and 2016 assessment years) in the Hampstead Heath/Highgate areas are approximately 58% higher than in Kentish Town. No detailed explanation is provided within the GVA Assessment to justify the specific zone boundaries and why the Zone C boundary in particular dips south to include the Murphy’s Yard site. Folgate Estates would suggest that the location and character of the Murphy’s Yard site is more closely aligned with Kentish Town than to Hampstead to the west or Highgate to the north.

In the preparation of the DCS LB Camden is, of course, required to follow the guidance set out in the Government’s Planning Policy Guidance (“PPG”). Paragraph 020 of the PPG advises that:

- A charging authority must use ‘appropriate available evidence’ (as defined in the [section 211\(7A\) of the Planning Act 2008](#)) to inform the preparation of their draft charging schedule. It is recognised that the available data is unlikely to be fully comprehensive. Charging authorities need to demonstrate that their proposed levy rate or rates are informed by ‘appropriate available’ evidence and consistent with that evidence across their area as a whole.
- In addition, a charging authority should directly sample an appropriate range of types of sites across its area, in line with [planning practice guidance on viability](#). This will require support from local developers, landowners and site promoters. Charging authorities that decide to set differential rates may need to undertake more fine-grained sampling, on a higher proportion of total sites, to help them to estimate the boundaries for their differential rates (see ‘[Can differential rates be set?](#)’). Fine-grained sampling is also likely to be necessary where they wish to differentiate between categories or scales of intended use.

In this case, where an existing charging schedule is being reviewed and updated, this requires a review of the current adequacy of the evidence base to ensure that it reflects any changes in circumstances and new appropriate available evidence which has emerged since the adoption of the existing charging schedule in 2015.

In this context it is relevant that:



- When the Zone B and Zone C boundaries were created (before the adoption of the current charging schedule in 2015), LB Camden had not begun preparation of the Kentish Town Planning Framework (“KTPF”), which is currently in draft and expected to be issued for a second round of consultation imminently. The KTPF identifies the Murphy’s Yard site as suitable for a significant amount of housing.
- It was therefore not envisaged in 2015 when the Zone B and Zone C boundaries were set that residential use in any significant quantum would come forward at the site.
- Since 2015, however, LB Camden has developed its ambitions for the planning of the Kentish Town and Regis Road Growth Area and confirmed Murphy’s Yard as a key component of the comprehensive mixed-use regeneration as evidenced by the publication of the draft KTPF in October 2018. The KTPF covers both the Regis Road opportunity as assessed by BNPP in 2015 and the Murphy’s Yard site. This is a change in circumstances since the existing charging schedule was adopted and one which needs to be considered as new appropriate available evidence as part of the review of the DCS.
- The KTPF also confirms LB Camden’s commitment to develop a CIL strategy to guide and coordinate investment across the framework area recognising the need for the approach to CIL for the Regis Road and Murphy’s Yard sites to be considered in tandem. Setting consistent rates across the growth area is an important element of this and which can be delivered through the current review of the charging schedule.
- The current rate of £500 per sqm of residential floorspace, which is raising to £613 per sqm in the DCS, will place a significant burden on any future planning application that includes residential use at the Murphy’s Yard site. Applying this high rate could negatively impact the viability of the scheme and potentially reduce the amount of affordable housing that it can deliver in accordance with the adopted policies of the Local Plan.
- Paragraph 2.25 of the GVA Assessment states “the CIL rates identified reflect the need to avoid deterring what is planned or anticipated in particular zones. We are recommending that the CIL be reviewed in 2017/18 which allows for the effects of the CIL rates to be monitored and revised if necessary well within the Core Strategy period.” Similarly, the CIL Information Document prepared by LB Camden as part of the consultation process on the original CIL rates states “To respond to these issues and similar ones potentially raised by other strategic sites, it is proposed to update the Camden CIL charging schedule after 3 years. This would allow the Council to consider an approach towards other strategic sites in growth areas in the light of changing economic circumstances.”
- Given the emergence of the Murphy’s site as a large-scale strategic site where there is a clear aspiration within the KTPF to deliver a significant number of homes, it would be appropriate to review the impact that the CIL rates as set in 2015 will have on a mixed-use development at the Murphy’s site in particular. This is to ensure that as a result in the changes in circumstances since 2015, proper consideration is given as to whether the boundary between Zones B and C



now needs to be changed. This is the type of fine grain approach recommended by the PPG guidance where boundaries are set for differential rates.

- In light of these considerations Folgate Estates considers that the current appropriate evidence demonstrates that the Zone B boundary should be extended to include the Murphy's Yard site to reflect the changes in circumstances since 2015 and to ensure that a consistent approach to CIL is taken across the two major sites within the Kentish Town Planning Framework Area (i.e. the Regis Road and Murphy's Yard sites) where a significant quantum of residential homes are expected to be delivered as part of a comprehensive approach to redevelopment.

#### *Commercial uses*

The above referenced changes to the DCS relating to research and development uses are supported by the key findings set out in the Camden Community Infrastructure Levy: Viability Update Study (September 2019), prepared by BNP Paribas Real Estate, which forms part of the evidence base associated with the DCS. BNP note that the Council has identified that there is an increasing amount of B1 uses (B1(a) offices and B1(c) research and development) space coming forward in the Borough, for which there is currently no CIL charged in the adopted charging schedule. BNP's research suggests that it did not identify a differential between the two uses (office, and research and development) and within the Viability Study recommended that the Council consider consolidating these two uses into a single B1 Use CIL charge. It should be noted however, as set out in the Town and Country Planning (Use Class Order) 1987 (as amended), that research and development is identified as Use Class B1(b).

Whilst Folgate Estates understand the consolidation of office, and research and development uses within the DCS, reference to Use Class B1 should be removed from the DCS as the DCS makes no reference to any other Use Classes, or alternatively it should specifically reference the individual Use Classes as set out in the Town and Country Planning (Use Class Order) 1987 (as amended) for office (Use Class B1(a)) and research and development (Use Class B1(b)). Additionally, as a point of clarification, it is our understanding that light industrial floorspace (Use Class B1(c)) will continue to be charged at a rate of £0 per sqm (GIA) of development as set out in the DCS, and this should be made clear in the Charging Schedule once adopted.

We trust that our representations will be fully considered. We would welcome the opportunity to discuss these representations with you. If you require any additional information or clarification on the above, please do not hesitate to contact Alexandra Milne or Mark Knibbs of this office.

Yours faithfully

**DP9 Ltd**