The Planning Inspectorate

# Report to the Council of the London Borough of Richmond upon Thames

**by Simon Berkeley BA MA MRTPI**

**an Examiner appointed by the Council**

**Date: 17 March 2014**

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

**REPORT ON THE EXAMINATION OF THE DRAFT RICHMOND UPON THAMES COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE**

Charging Schedule submitted for examination on 17 October 2013

Examination undertaken by written representations

File Ref: PINS/L5810/429/9

## Non Technical Summary

This report concludes that the London Borough of Richmond upon Thames Community Infrastructure Levy Charging Schedule does not provide an appropriate basis for the collection of the levy in the area as drafted. The rates proposed for care homes, hotels and the unspecified uses chargeable under the Standard Charge do not reflect the evidence and would threaten the viability of those uses.

However, I consider that such non-compliance with the drafting requirements can be remedied by the making of modifications which I recommend. Such modifications are specified in Appendix A to this report. They are designed to: set the Standard Charge rate to zero; as a result of that, to specifically set out the £25 per square metre rate for offices in Richmond Town Centre; and to restrict the £25 per square metre rate for care homes and hotels to the defined lower band area. Subject to such modifications the draft schedule is approved.

## Introduction

1. This report contains my assessment of the Richmond upon Thames Community Infrastructure Levy (CIL) Charging Schedule in terms of Section 212 of the Planning Act 2008. 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 *Community Infrastructure Levy: Guidance* (April 2013).

2. To comply with the relevant legislation the local charging authority has to submit what it considers to be a charging schedule which sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the borough. The basis for the examination, which took place through written representations, is the submitted schedule dated September 2013. Though largely the same as the document published for public consultation in July 2013, it differs in some respects. The previous reference to not proposing discretionary relief has been removed, as has the draft instalments policy and paragraphs relating to procedural matters. Education development is individually identified and defined in the rates schedule, and sporting facilities have been added to the definition of public service and community facilities. The Council produced a statement about these modifications and informed the appropriate parties in line with the Regulations.

3. The charges proposed by the Council, in £ per square metre (psm), are: residential development (higher band) £250; residential development (lower band) £190; retail (wholly or mainly convenience) (all areas) £150; retail (wholly or mainly comparison) in Richmond Town Centre £150; and a Standard Charge (all other uses) £25. A nil rate is proposed for offices and comparison retail outside Richmond Town Centre, light industrial space, education and public service and community facilities developed by the public, not-for-profit or charitable sectors. On the basis of the evidence produced and the statutory provisions for charities, this is reasonable.

*Infrastructure planning evidence*

4. The Richmond upon Thames Core Strategy (CS) was adopted in April 2009 and the London Plan (LP) was adopted in July 2011. Together they set out the strategy for and level of growth in the borough that will need to be supported by further infrastructure.

5. An Infrastructure Delivery Plan was published in April 2012. This analyses the existing infrastructure provision and identifies the borough's infrastructure needs to support the delivery of the CS and LP. An Infrastructure Delivery Schedule (IDS) has also been produced, the most recent iteration being published in May 2013. This itemises the strategic infrastructure necessary and includes detail about costs, funding sources and the level of funding available.

6. Transport and education infrastructure are identified as having the largest funding gaps, which the IDS puts at around £25 million and £12 million respectively. The total funding gap over the next fifteen years is estimated to be between approximately £49 million to £65 million. In short, the overall funding shortfall is quite significant.

7. It is clear that the main source of CIL receipts will be residential development. Based on the proposed residential levy rates and the housing target in the LP, the Council expects CIL receipts from new housing to raise approximately £1.6 million per annum. This amounts to around £24 million over the next fifteen years.

8. It is apparent that the proposed charges would not fully close the likely funding gap. Nevertheless, the figures clearly demonstrate the need to introduce the CIL to help deliver the infrastructure needed to support Richmond's planned growth.

*Economic viability evidence*

9. The Council commissioned a CIL Viability Assessment, dated September 2013 [SD7]. The assessment uses a residual valuation approach using standard assumptions for a range of factors such as land costs, building costs and reasonable profit levels. The viability study and the proposed charges were discussed at a stakeholder workshop attended by Council officers, statutory consultees, developers, commercial agents, planning agents and others.

10. The robustness of the assessment and the degree to which the appraisals justify the CIL levy rates proposed in viability terms are central to the examination. This is explored in relation to the main issues I have identified below.

**Whether the residential economic viability evidence is appropriate and justifies the proposed charging schedules**

*The evidence sources and assumptions*

11. The appraisals examine a range of hypothetical development scenarios likely to come forward over the development plan period. These consider variations in terms of site size and value levels, and include analysis of schemes for houses

and flats.

12. Land value assumptions have been derived from consultation with local agents and developers, and information from the Land Registry. These are appropriate sources of information. The appraisals assume a range of land values to reflect differences in location within the borough and the size of the site. Between £6 million and £10.5 million per hectare is assumed for sites providing between one and nine units, and £5 million to £9.5 million for larger sites. This is a reasonable approach. It reflects the lower contribution to affordable housing required by Policy DM HO6 of the Development Management Plan (DMP), adopted in November 2011, which is discussed in more detail below.

13. As with land values, sales values have been derived from analysis of Land Registry information and consultation with local agents and developers. The latter is a particularly important factor in relation to this assumption, as Land Registry data includes prices for homes that are not new.

14. Base build costs have been taken from the RICS Building Costs Information Service (BCIS) database. The cost of meeting Level 4 of the Code for Sustainable Homes has been included in the assessment. This meets or exceeds the development plan requirements in CS Policy CP1 and Policy DM SD1 of the DMP. An allowance of £1,000 per dwelling has been added for Section 106 and Section 278 legal agreements, and the Mayoral CIL of £50 psm has also been included.

15. For houses, the unit size has been modelled on the basis of 100 square metres per house, which is a little larger than the minimum standards sought by the Council's *Residential Development Standards* Supplementary Planning Document (SPD) for two and three bedroom houses. In respect of flats, a net internal area of 66 square metres has been used, excluding circulation areas and other shared space. This falls between the SPD's baseline standard for two and three bedroom flats. All of this reflects Policy DM HO4 of the DMP. This generally seeks family sized accommodation except in town centres where a higher proportion of small units are considered appropriate.

16. The LP seeks to ensure that developments meet the densities set out in Table 3.2. This is based on Public Transport Accessibility Level (PTAL) zones. Consequently, actual densities will vary across the borough depending on the precise location of the scheme in question. The viability assessment assumes that residential schemes in the borough will fall within an urban setting, as defined in the notes to Table 3.2, and will be in PTAL zones 2 to 3. This appears to be a reasonable stance to take. The assessment says that this equates to an average density of 120 units per hectare for flats and 83 units per hectare for houses.

17. CS Policy CP15 says that over the CS period, the Council expects 50% of all new units will be affordable housing. The viability assessment has assumed that 40% of residential units will be affordable. On the face of it, it does not fully reflect the policy requirement.

18. However, paragraphs 7.2.5 and 7.2.6 of the CS indicate that where affordable housing contributions are shown through an independent assessment to render schemes unviable, then exceptions to the policy are allowed. This introduces a

clear element of flexibility. Policy DM HO6 of the more recent DMP consolidates this. It says that the Council will "*seek the maximum reasonable amount of affordable housing*", and that the Council will have regard to economic viability. Moreover, in relation to schemes of less than 10 units, Policy DM HO6 seeks a financial contribution in lieu of on-site provision based on a sliding scale. This ranges from 5% for single dwelling schemes to 45% for developments of nine homes. Considering this, the development plan requirements for affordable housing are less clear cut than CS Policy CP15 alone might suggest. Indeed, the assessment indicates that schemes recently granted permission have achieved between 30% and 40%. In the context of all this, I consider the 40% assumed in the assessments to be reasonable, and that the policy requirements for affordable housing are adequately reflected.

19. Other costs have also been included in the appraisals. A figure of 10% on construction costs has been used for on site preparation and external works, with an allowance of between 3% and 5% for contingencies. Professional fees at 8% of development costs and marketing at £1,000 per unit have been added. Agency fees at 1% of gross development value and sales legal fees of £600 per unit, along with stamp duty at 1% are also included. Broadly speaking, these appear to me to be generally appropriate values.

20. A figure of 20% on costs for the developer's profit has been allowed for. Clearly, the profit margin acceptable to a developer will depend on a number of factors, particularly the level of risk associated with the individual project. However, 20% on costs is a benchmark generally accepted by many and on the whole, in the absence of compelling evidence to the contrary, I consider it reasonable.

21. It has been assumed that all residential schemes will be wholly debt funded at a rate of 7% interest. While actual finance rates may be more or less favourable for any given project, this rate appears broadly appropriate. That full finance is not always necessary lends further reassurance. Indeed, this is one aspect which suggests that the appraisals are suitably cautious and not overly optimistic.

22. In addition to the main appraisals, the viability of larger developments has been considered by testing four actual sites in the borough, comprising two from both the lower and higher band areas, discussed below. In general, the same assumptions have been applied except where site specific reasons suggest they should be altered. Relevant development plan policies and planning guidelines affecting factors such as the mix of uses have been taken into account, and different development scenarios have been analysed. This is a particularly appropriate approach. Even if the sites considered do not reflect the scale of larger strategic sites, it introduces an element of 'reality testing' into an otherwise hypothetical appraisal methodology. This adds to the confidence that can be placed in the assessment process and the robustness of its outcomes.

*The basis for differentiation between the higher and lower bands*

23. The higher and lower band rates proposed are based on the variance between land values and house sales prices in some parts of the borough to others. The assessment examines Land Registry information about average terraced house

sales prices between December 2009 and December 2011. These average prices have been grouped into bands. The band applying to each of the borough's Census Standard Table (ST) wards is illustrated on the map at figure 6.4 of the assessment, which is helpfully supplemented by the actual average prices by ST ward. The map depicts a rather clear divergence between the north-eastern and south-western parts of the borough.

24. Current sales values have also been drawn on to test the validity of the less recent Land Registry information. While this relates to 'asking prices', it nonetheless indicates a similar pattern of variance. This adds to the confidence that can be placed in the pattern shown by the earlier figures. Together, these two strands of evidence provide a suitable basis for distinguishing between the two band areas.

25. It is clear from CS Policy CP14 that a large proportion of new housing development is directed to areas identified in the higher band. A significant level of housing is also expected in the lower band area, at Teddington and the Hamptons. In short, the CS relies on substantial housing delivery in both of the two band areas. As such, differentiating between them to ensure both viability and deliverability is a worthwhile and suitable path.

26. I note that there is a good deal of price variation within each of the two bands. Even so, both the Land Registry and more recent evidence use average values and consequently reflect the spectrum of property prices. I also recognise that the evidence underpinning this approach depends on using land values and house prices as a proxy for viability. This is, perhaps, not ideal. Nevertheless, it seems to me that these values are among the most critical components of a residential scheme's financial soundness. Viability is highly sensitive to them. To my mind, the evidence drawn upon is appropriate and the methodology used is satisfactory.

*The economic viability evidence*

27. The viability appraisals produce an 'overage' figure, being the difference between the residual and benchmark land values. In effect, the overage is the theoretical maximum level of CIL which could be levied without rendering the scheme unviable. For the scenarios appraised in the higher band area, the overage ranges from £369 to £940 psm. The range for the lower band area is £306 to £656 psm.

28. Considering this, it is clear to me that for both the higher and lower band areas there is a decent level of 'buffer' between the theoretical maximum levy rates and those proposed. The approach taken to striking the balance between the need to fund infrastructure and ensuring that the new housing needed remains viable is suitably measured. The Council has not sought to 'push the boundaries'. Considering the nature of the appraisals, necessarily dealing with a range of variables and unknown factors, and making numerous assumptions, this is commendable. It bolsters confidence that the rates proposed will not put at serious risk the delivery of new homes envisaged in the CS across the borough. The Council points out that the levy rates proposed do not exceed 4% of residential sales prices in any development scenario. This adds to my overall conclusion below.

*Retirement housing*

29. Joint representations have been made by Churchill Retirement Living Ltd and McCarthy & Stone Retirement Lifestyles Ltd. These concern the effect of the residential levy rates on retirement housing, and seek a separate rate of £70 psm. A table shown as Figure 1 in the statement [PS/01] is at the heart of the case made for this suggested modification. The table indicates the scope for a 'typical' 40 unit retirement housing scheme to make planning gain contributions when set against residential and office land values in the borough.

30. There is little in these representations to suggest that the CIL would render this typical scenario unviable in the lower band area where the benchmark land values are lower. According to the Council's calculation in the detailed response [PS/02a], which draws on the figures given by Churchill Retirement Living and McCarthy & Stone, the overage for CIL is £1,139 psm. Although I am not clear about the allowance made for Section 106 and any other legal agreements, this is a significant margin.

31. For the higher band area, the Council's response provides a viability appraisal of the aforementioned typical scenario 40 unit scheme. This uses the quantified assumptions provided by Churchill Retirement Living and McCarthy & Stone. Sales values have been derived by applying the average floor area assumption given to the price paid for a number of flats in Gifford Lodge, a Churchill Retirement Living development which the Council says provides the best comparable evidence. From this, a sales value of £7,000 psm has been used. In line with the thrust of Policy DM HO6 of the DMP and the text supporting it, on-site affordable housing has been assumed.

32. Clearly, like the others, this appraisal is a high level, generic assessment of viability. The value inputs may be greater or less than those of any individual scheme. But for the purposes of establishing the effects of the proposed levy on retirement housing I consider that the approach used is reasonable and the value assumptions, in broad terms, appear appropriate. The appraisal result indicates that after the £250 psm CIL charge has been deducted, the remaining overage is £337 psm. In my view, this is a significant buffer which offers reassurance that the higher band residential rate will not pose a significant threat to the delivery of retirement housing across the higher band area.

*Overall conclusion*

33. I conclude that the levy rates for residential development are justified by appropriate available evidence and that they strike an appropriate balance between helping to fund new infrastructure and its effect on the economic viability of new housing across the borough.

## Whether the non-residential economic viability evidence is appropriate and justifies the proposed charging schedules

*The non-residential viability evidence in general*

34. Appraisals have been undertaken for a number of non-residential uses. Land values have been assumed which vary according to the land use and its location within the borough. I understand from the report that recent

transactional data has been thin on the ground. Consequently discussions with agents, the professional experience of the appraisal report's authors and a viability study review of a scheme in Teddington have been drawn on. The views from agents have been compared with information on local rents and yields, and considered alongside evidence from outside the borough. This is not ideal. However, given the circumstances and the absence of any compelling contradictory evidence, I regard this as adequate.

35. The BCIS database has also been used for non-residential build costs. For major non-residential developments, an allowance is included for meeting the 'excellent' standard of the Building Research Establishment Assessment Method and/or the carbon dioxide reduction targets in the London Plan.

36. Other cost inputs include external works at 5% to 10% on construction costs, contingencies at 3% to 5%, professional fees at 10% of development costs, sales agency and sales legal fees respectively at 1% and 0.5% of gross development value. As with residential schemes, full debt funding has been assumed at an interest rate of 7%. A developer's profit of 20% on costs has also been included.

37. Turning to revenue, the CoStar and EGi databases, and discussions with local property agents, have been used to inform sales value assumptions. As one might expect, given the variety of non-residential uses examined, a range of sales values have been employed.

38. Overall, I consider that the sources of evidence drawn on are wholly appropriate. The assumed values flowing from this information should be regarded as reasonable. The more general assumptions used appear to me to reflect commonly accepted values and, on the whole, they are suitable for generic appraisals of the kind involved here.

*The retail levy rates*

39. In effect, the proposed schedule differentiates retail developments into three categories: convenience retail; comparison retail in Richmond Town Centre; and comparison retail elsewhere in the borough. Its operation involves differentiation by use and by location.

40. Turning firstly to the distinction made between convenience and comparison retail, a definition of each is included in the schedule which relates to the type of goods wholly or mainly sold at the premises. It seems to me that the differences in use which distinguish these two types of retailing are well recognised by the retail development industry and the ordinary shopper. Their functional differences are readily perceptible and the definitions satisfactorily reflect this.

41. Moreover, from the evidence, it is clear that there is a significant difference in viability between convenience and comparison retailing. The former represents a strong market across the borough and the appraisals indicate high levels of overage. Matters are rather different in relation to the latter in most parts of the borough. Outside of Richmond Town Centre, the appraisals indicate that comparison retail is not viable even without a CIL charge. I am satisfied that there is a justified basis for making a distinction between these types of retail

uses.

42. In terms of the proposed comparison retailing geographical distinction, the appraisals clearly suggest that notwithstanding the situation across most of the borough, comparison retail in Richmond Town Centre has a healthy level of viability. The Council says that the map in the schedule which delineates Richmond Town Centre reflects the physical extent of recognisably town centre uses. Whilst not an especially scientific or detailed approach, it seems to me that, in the broadest sense, this reflects the economic evidence. I consider the differentiation between Richmond Town Centre and elsewhere to be appropriate and adequately justified.

43. For convenience and comparison retail in Richmond Town Centre, the appraisals indicate overages ranging from £453 psm for the former to £1,479 psm for the latter. Compared with these figures, the proposed £150 psm levy might appear quite low. However, as the viability assessment recognises, town centre comparison retail in particular is highly sensitive to location, footfall patterns and unit sizes which lead to large variations in values. Given this, and the other considerable uncertainties associated with 'high-level', generic appraisals of this sort, I regard the levy rate proposed to be suitably cautious. It includes a necessarily significant buffer and in my view is set at an appropriate level. Setting a nil rate for comparison retail elsewhere in the borough reflects the evidence and is unquestionably the most suitable response.

*The Standard Charge rate*

44. The Standard Charge of £25 psm is proposed to be levied on 'all other uses'. This relates to all uses save those subject to one of the other levy rates, including the nil rates specified. This is a rather wide spectrum. Of the uses chargeable under this rate, viability appraisals have been undertaken in relation to care homes, hotels and offices.

45. For care homes, the appraisal models a 60 bedroom, 2,400 square metres (gross) scheme for the private sector. This indicates an overage of £72 psm. For the purpose intended, I regard this to be an adequate margin.

46. However, this appraisal is based on the lower priced parts of the borough – the defined lower band area. Paragraph 9.13 of the assessment says that the findings of the viability analysis is sensitive to the prevailing land values because care homes frequently compete with residential uses for sites. It also states that care homes are not viable in the parts of the borough with the highest land values – the defined higher band area. From the appraisals, I do not doubt this.

47. Similar overall conclusions emerge from the hotel appraisal. The analysis is based on a mid-market three star hotel scheme of around 65 rooms. From the evidence, this appears representative of the market and its likely future direction. The overage produced is £62 psm. While not an overly generous buffer, it is sufficient to offer an acceptable degree of reassurance that the levy will not pose a significant threat to delivery.

48. But, as for care homes, viability is sensitive to land values, because of

competition from residential development, and the appraisal is predicated on the lower land values assumed. Paragraph 8.6 of the assessment accepts that the type of three star hotel tested appears to be unviable in the parts of the borough with higher land values. I note the point that applications for hotels have recently been received. But that is no strong indication that they would be viable with the proposed levy in place.

49. I note the comments seeking to justify imposing the £25 psm levy on care homes and hotels across the whole borough. The national guidance does not explicitly state that if development is not viable then a nil rate should be set. It may be that, for some schemes, the CIL levy would not be a determining factor in respect of viability.

50. Even so, the guidance is clear that the rate should be consistent with the evidence. In relation to the higher band area, that is not the case here – the levy is wholly inconsistent with the viability evidence. It would worsen the financial position of care homes and hotels that are already unviable or only marginally viable. While it may do so only slightly, it would represent a threat to their viability and delivery. This should not be regarded as appropriate.

51. In relation to offices, an appraisal has been undertaken for a small 465 sqm development divided into small independent units aimed at office/studio occupiers. The same scheme has been appraised with a rent of £323 psm and yield of 8% in Richmond Town Centre, and a rent of £190 psm and yield of 9% outside the town centre. In the light of the market overview, these appear to be reasonable assumptions.

52. On this basis, the appraisal shows an overage of £140 psm for offices in Richmond Town Centre. In relation to the proposed levy, this is a decent viability cushion. Outside the town centre, the appraisal indicates that offices are not viable. The nil levy rate proposed is the most appropriate response.

53. Given the range of development which could be subject to the Standard Charge, there are numerous uses for which viability appraisals have not been undertaken. I recognise the difficulties in relation to the availability of evidence and the variety of development types concerned. I agree that the uses involved are not likely to be critical to the delivery of the CS. I also note the point about the strength of the local economy, and I accept that this may well be an indicator of development viability, in the broadest terms.

54. However, local economic conditions in general cannot be taken as a demonstration that these uses could bear the levy. After all, the evidence shows that some developments are not viable even without a CIL charge. In short, it remains the case that the schedule is not informed by adequate evidence in relation to these unspecified and untested development types. While obtaining such evidence may not be an efficient use of public money, this does not mean that an insufficiently supported schedule should be accepted. In addition, rather than contributing to the provision of critical infrastructure, this element of the levy seems to me more likely to lead to unrealistic expectations about the level of CIL revenue. CIL can only be collected when development occurs and new floorspace is created.

*Overall conclusion*

55. I conclude that the levy rates for retail development, for offices in Richmond Town Centre, and for care homes and hotels in the defined lower band area are justified by appropriate available evidence. They strike an appropriate balance between helping to fund new infrastructure and its effect on the economic viability of new retail and office development across the borough.

56. However, I also conclude that the Standard Charge does not meet the drafting requirements insofar as it relates to care homes and hotels in the defined higher band area and the other uses to which it would apply that have not been viability tested. To ensure compliance, I recommend two modifications. The first (**EM1**) is to reduce the Standard Charge to nil. The second (**EM2**) is to set a charge of £25 psm for care homes and hotels in the lower band area and to specifically identify offices in Richmond Town Centre against a £25 psm rate.

## Other matters

57. A number of other issues have been raised and I have taken account of all the evidence. A number of these relate to matters beyond the scope of this examination. For example, the circumstances in which relief from the levy will be available, and where and how CIL revenue is spent are not matters for my consideration. Neither is the way in which the Council discharges its duty to determine planning applications.

58. I note the point that the schedule will, in some instances at least, result in charges which are higher than the financial contributions currently sought by the Council. That may be so. But that it not to say that it will cause viability problems. In any event, even if it does render some schemes unviable, I have been given no compelling evidence to suggest that it will place at serious risk the viability of developments across the borough.

59. From my reading of the evidence, aside from in relation to the two band areas proposed, there is no sufficiently clear or marked transition to support further geographical differentiation. There is no forcefully persuasive evidence to the contrary. In any case, setting differential rates is only a possibility open to Councils to explore in drawing up CIL schedules. It is not a requirement of the Regulations that differential rates be set, even where there is robust evidence to support such an approach.

## Conclusion

60. In setting the CIL charging rates the Council has had regard to detailed evidence on infrastructure planning and the economic viability evidence of the development market in Richmond upon Thames. The Council has tried to be realistic in terms of achieving a reasonable level of income to address an acknowledged gap in infrastructure funding, while ensuring that a range of development remains viable across the authority area. This objective has been met for residential and retail schemes. It has also been met for office developments, and for care homes and hotels in the defined lower band area.

61. However, for care homes and hotels in the defined higher band, and for the range of unspecified other uses chargeable under the Standard Charge, the

rate poses a threat to the viability of schemes. Imposing it would not meet the drafting requirements or the NPPF guidance that CIL charges support and incentivise new development. Consequently, I recommend that the Standard Charge be reduced to nil, that offices in Richmond Town Centre be specifically identified against the £25 psm charge and that the £25 psm levy proposed for all care homes and hotels be limited those in the defined lower band area, as specified at Appendix A.

| **LEGAL REQUIREMENTS** | |
|---|---|
| National Policy/Guidance | The Charging Schedule does not comply with national policy/guidance as drafted, unless modifications EM1 and EM2 (or other sufficient modifications) are made. |
| 2008 Planning Act and 2010 Regulations (as amended) | The Charging Schedule complies with the Act and the Regulations (as amended) in respect of the statutory processes and public consultation. |

62. I conclude that subject to the modifications set out in Appendix A the London Borough of Richmond upon Thames Community Infrastructure Levy Charging Schedule 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, with these modifications or other sufficient modifications, the Charging Schedule be approved.

*Simon Berkeley*

Examiner

This report is accompanied by:

Appendix A (attached) – Modifications that the Examiner specifies so that the Charging Schedule may be approved.

## Appendix A

Modifications recommended by the Examiner to allow the charging schedule to be approved.

### Modification EM1

| Development Type | CIL charge psm |
|---|---|
| Standard Charge (all other uses not covered above) | £0 |

### Modification EM2

| Development Type | CIL charge psm |
|---|---|
| Care homes (lower band) | £25 |
| Hotels (lower band) | £25 |
| Offices in Richmond Town Centre | £25 |