

COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE – MAYOR OF LONDON

**AGREED BY THE MAYOR 29 FEBRUARY 2012
TAKES EFFECT FROM 1 APRIL 2012**

MAYOR OF LONDON

MAYOR OF LONDON
February 2012

Published by
Greater London Authority
City Hall
The Queen's Walk
More London
London SE1 2AA

www.london.gov.uk

enquiries 020 7983 4100
minicom 020 7983 4458

Planning Act 2008

Community Infrastructure Levy Regulations 2010 (as amended)

COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE – MAYOR OF LONDON

CHARGING SCHEDULE

The Mayor of London is a charging authority for the purposes of Part 11 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy in respect of development in Greater London.

The Mayor intends to charge the Community Infrastructure Levy in Greater London at the following rates (expressed as pounds per square metre) in respect of all development (other than those of intended uses shown in Table 2 below) in each of the London boroughs, as shown in Table 1:

Table 1: Mayoral CIL charging zones and rates

Zone	London boroughs	Rates (£ per sq. m.)
1	Camden, City of London, City of Westminster, Hammersmith and Fulham, Islington, Kensington and Chelsea, Richmond-upon-Thames, Wandsworth	£50
2	Barnet, Brent, Bromley, Ealing, Greenwich, Hackney, Haringey, Harrow, Hillingdon, Hounslow, Kingston upon Thames, Lambeth, Lewisham, Merton, Redbridge, Southwark, Tower Hamlets	£35
3	Barking and Dagenham, Bexley, Croydon, Enfield, Havering, Newham, Sutton, Waltham Forest	£20

These zones are shown in the map below:

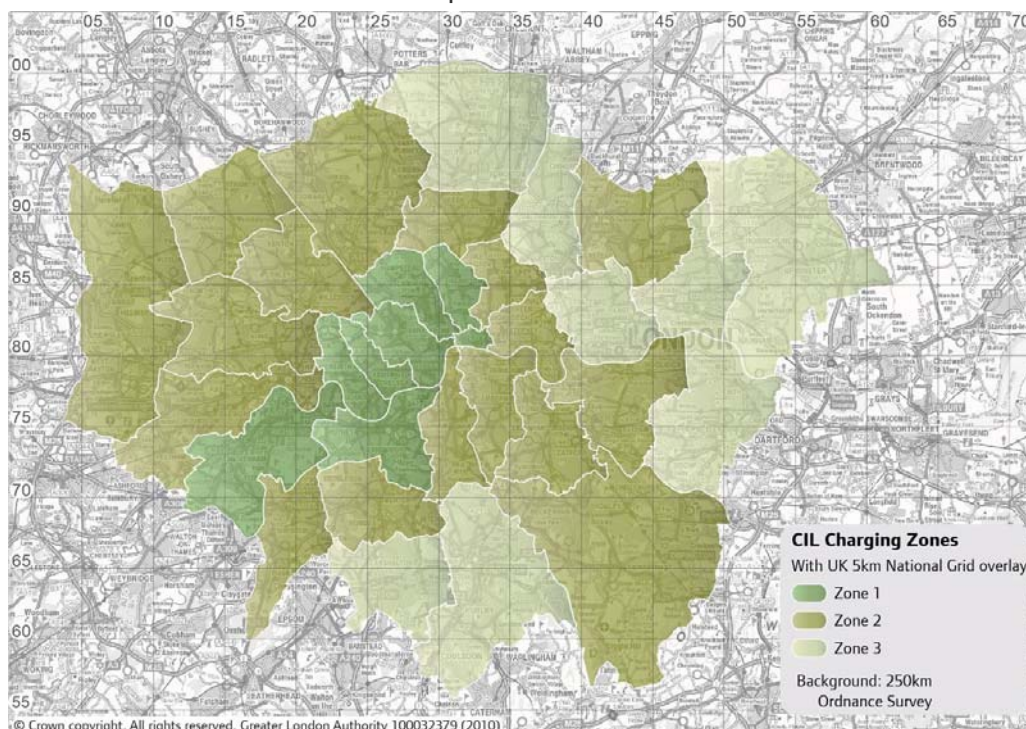


Table 2: Differential rates: intended uses

Use	Rate (£ per sq.m.)
Development used wholly or mainly for the provision of any medical or health services except the use of premises attached to the residence of the consultant or practitioner	Nil
Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education	Nil

The amount to be charged for each development will be calculated in accordance with regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended). For the purposes of the formulae in paragraphs (5) and (6) of regulation 40 (set out in Annex 1), the relevant rate (R) is the Rate for each charging zone shown in Table 1 above, other than in respect of the intended uses shown in Table 2, for which the rates shown therein will apply.

This Schedule has been issued, approved and published in accordance with Part 11 of the Planning Act 2008 and the Community Infrastructure Regulations 2010 (as amended).

This Schedule was approved by the Mayor of London on 29 February 2012.

This Schedule takes effect on 1 April 2012.

ANNEX ONE

EXTRACT FROM THE COMMUNITY INFRASTRUCTURE LEVY REGULATIONS 2010 (AS AMENDED)

PART 5

CHARGEABLE AMOUNT

Calculation of chargeable amount

40. – (1) The collecting authority must calculate the amount of CIL payable (“chargeable amount”) in respect of a chargeable development in accordance with this regulation.

(2) The chargeable amount is an amount equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates.

(3) But where that amount is less than £50 the chargeable amount is deemed to be zero.

(4) The relevant rates are the rates at which CIL is chargeable in respect of the chargeable development taken from the charging schedules which are in effect—

(a) at the time planning permission first permits the chargeable development; and

(b) in the area in which the chargeable development will be situated.

(5) The amount of CIL chargeable at a given relevant rate (R) must be calculated by applying the following formula—

$$\frac{R \times A \times I_p}{I_c}$$

where—

A = the deemed net area chargeable at rate R;

I_p = the index figure for the year in which planning permission was granted; and

I_c = the index figure for the year in which the charging schedule containing rate R took effect.

(6) The value of A in paragraph (5) must be calculated by applying the following formula—

$$\frac{C_R \times (C - E)}{C}$$

where—

C_R = the gross internal area of the part of the chargeable development chargeable at rate R, less an amount equal to the aggregate of the gross internal area of all buildings (excluding any new build) on completion of the chargeable development which—

(a) on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use;

(b) will be part of the chargeable development upon completion; and

(c) will be chargeable at rate R

C = the gross internal area of the chargeable development; and

E = an amount equal to the aggregate of the gross internal areas of all buildings which—

(a) on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use; and

(b) are to be demolished before completion of the chargeable development.

(7) The index referred to in paragraph (5) is the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for 1st November of the preceding year.

(8) But in the event that the All-in Tender Price Index ceases to be published, the index referred to in paragraph (5) is the retail prices index; and the figure for a given year is the figure for November of the preceding year.

(9) Where the collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish—

- (a) the gross internal area of a building situated on the relevant land; or
- (b) whether a building situated on the relevant land is in lawful use, the collecting authority may deem the gross internal area of the building to be zero.

(10) For the purposes of this regulation a building is in use if a part of that building has been in use for a continuous period of at least six months within the period of 12 months ending on the day planning permission first permits the chargeable development.

(11) In this regulation “building” does not include—

- (a) a building into which people do not normally go;
- (b) a building into which people go only intermittently for the purpose of maintaining or inspecting machinery; or
- (c) a building for which planning permission was granted for a limited period.

(12) In this regulation “new build” means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings

ANNEX TWO

EXPLANATORY NOTES TO THE CHARGING SCHEDULE

*This Annex is **not** formally part of the Community Infrastructure Levy Charging Schedule – Mayor of London*

- 1 The Charging Schedule applies to (and therefore the Mayoral Community Infrastructure is payable in respect of) any development granted planning permission on or after 1 April 2012.**

RELIEFS AND EXEMPTIONS

- 2 Under regulation 44 of the Community Infrastructure Levy Regulations 2012 (called “the Regulations” in the rest of this note), charging authorities may allow relief for development by charities where the whole or greater part of the development is held by the charity as an investment for charitable purposes. The Mayor does not currently propose to make this relief available. He considers that the better approach is to apply the CIL on the basis of uses rather than ownership, and to keep the overall figure set low. Allowing this relief would also make administration of the CIL across London as a whole unduly complex and burdensome. He will keep the position under review (see below).
- 3 Under regulations 57 and 58, the Mayor may allow relief for exceptional circumstances (relating specifically to developments in respect of which there is also a section 106 agreement, where sums payable under that agreement are higher than the amount of CIL

payable and where the Mayor considers that to charge the CIL would have an unacceptable impact on the economic viability of the development). The Mayor does not intend to make this relief available at this point. He considers that it would be better to address problems of viability caused by the combined demands of CIL and section 106 agreements by making any necessary adjustments to the latter, in accordance with well-understood and applied planning principles. Disputes could be dealt with through the appeals procedures under the Town and Country Planning legislation. This approach would also avoid making administration of the CIL across Greater London as a whole unduly complex and burdensome. Again, he will keep the position under review.

- 4 **For the avoidance of doubt, the following are exempt from the CIL under the 2008 Act and the Regulations:**

- **social housing**
- **development by charities of their own land for their charitable purposes.**

RELATIONSHIP WITH CROSSRAIL PLANNING OBLIGATIONS.

- 5 The Regulations make provision for restricting the use of section 106 after introduction of the CIL. The Government has made clear its view that the CIL will be a better vehicle to address the cumulative impact of developments and fund the infrastructure needed to deal with this. Accordingly, the Regulations restrict the use of “tariff” arrangements for the pooling of contributions to arrangements involving fewer than five developments. As far as existing section 106-based tariff arrangements are concerned, the

Regulations allow these to run until April 2014, or the date on which a local authority begins to charge a CIL, whichever is the earlier. In any case, authorities will not be able to “double charge” – seek contributions towards the cost of particular infrastructure through both section 106 and the CIL.

- 6 The position is different, however, with respect to planning obligations that relate to, or are connected with the funding or provision of scheduled works within the meaning of Schedule 1 to the Crossrail Act 2008 (regulation 123 (4)). The practical effect of this will be that the contributions policy set out in this document will run until the £300 million sum to be raised from this source under the Crossrail Heads of Terms has been secured.
- 7 Paragraph 5.7 of the Supplementary Planning Guidance on *Use of Planning Obligations in the Funding of Crossrail*¹ states that should the Mayor bring forward a CIL, he would take decisions on both the CIL charging schedule and the level of section 106 contributions for Crossrail in tandem. **He has taken the view that the best way of ensuring that developers do not have unreasonable demands made of them by having to make both CIL and section 106 payments towards Crossrail is to treat CIL payments as a credit towards any payment sought under the section 106 policy should the former be less than the latter, and not to seek a contribution at all should the obverse be the case.** The Mayor intends to bring forward a revised SPG dealing both with CIL and use of s106 for Crossrail in due course.

PHASING AND PAYMENT BY INSTALMENTS

- 8 The Regulations deal with the calculation of the amount of CIL to

be paid for developments approved to proceed in phases (at the time of the approval of the last reserved matter associated with that phase – see regulation 8) and with payment by instalments in certain cases (regulation 70). The Government has amended the CIL regulations to allow charging authorities to decide their own instalment policies. These must state the number of instalment payments allowed, the amount or proportion of CIL payable in any instalment and the time (to be calculated from the date that a development is commenced) that the first instalment is due and the time that any subsequent instalment payments are due, and any minimum amount of CIL below which payment by instalment will not be permitted. However the Regulations require further amendment to deal with the likely situation in London.

- 9 The Mayor is having discussions with London boroughs about establishing a common approach to payment by instalments. It is likely that further details will be announced once the situation regarding the CIL Regulations is resolved. **Until then, there will be no provision for payment of the Mayoral CIL by instalment.**

AMENDMENTS TO THE CIL REGULATIONS

- 10 At the time the Charging Schedule was approved, further amendments to the CIL Regulations by the Government were anticipated. These may deal with issues including the method of calculating the amount of CIL payable and the treatment of planning permissions granted as a result of applications under section 73 of the Town and Country Planning Act 1990. Until these amendments are formally made, it is the current Regulations (SI2010 No. 948) as amended by the Community Infrastructure Levy (Amendment) Regulations 2011 that should be applied.

¹ Mayor of London (July 2010)

REPORTING AND REVIEW

11 As required by the regulations, the Mayor will publish annual reports showing, for each financial year:

- how much has been collected in CIL by the boroughs on his behalf;
- how much of that money has been spent;
- the items of infrastructure on which it has been spent (in the current case, Crossrail);
- any amount used to repay money borrowed;
- the amount of CIL used to cover administrative expenses; and
- the amount of CIL retained at the end of the reported year.

12 The Mayor will keep the operation of the CIL and the position regarding the funding and implementation of Crossrail under continual review. He intends, however, to conduct biennial formal reviews of the working of his CIL. These reviews will consider in particular whether the CIL rates set continue to be appropriate, and whether there is evidence that would justify the Mayor in allowing either or both of the forms of discretionary relief referred to in paragraphs A1.5 and A1.6. He will publish the results of these reviews in the London Plan Annual Monitoring Report covering the relevant year, and any changes will be subject to public consultation in accordance with the CIL Regulations or the Mayor's usual practice, as appropriate. The first of these reviews is likely to take place in 2014. At the appropriate time, the Mayor will make announcements about future uses of Mayoral CIL powers.

published. This will update and clarify some aspects of the existing guidance, and will also provide advice on the Community Infrastructure Levy. In particular, it will seek to harmonise the treatment of issues like cleared brownfield sites across the CIL and the s106 policy.

GUIDANCE

13 The Mayor will produce an updated version of his supplementary guidance on the use of planning obligations in the funding of Crossrail after the charging schedule has been formally