

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2366

Title: Agreement to transfer funding from Transport for London (TfL) to the Greater London Authority (GLA) for GLA support on implementing the Mayoral Community Infrastructure Levy (MCIL).

Executive Summary:

This DD seeks approval of a section 121 revenue grant from TfL to the GLA of £60,000 in June 2019. The grant will pay for GLA officer time during 2018/19 that was dedicated to implementing the Mayor's Community Infrastructure Levy (MCIL). TfL will fund the grant from the revenue it is allowed to retain from MCIL monies – collected by the boroughs and the Mayoral Development Corporations on the Mayor's behalf – to cover administrative costs.

Decision:

That the Executive Director of Development, Enterprise and Environment approves:

1. Transport for London's transfer of £60,000 to the Greater London Authority (with TfL's expenditure paid for from the revenue it retains from the MCIL to cover administrative costs); and
2. The use of this funding to cover the cost of GLA officer time spent supporting TfL in connection with the MCIL.

AUTHORISING DIRECTOR

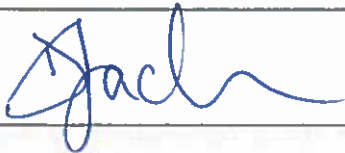
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Debbie Jackson

Position: Executive Director of Development, Enterprise and Environment

Signature:



Date:

06/06/19.

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. Under the Community Infrastructure Levy Regulations 2010 (as amended) (the CIL Regulations) the Mayor is entitled to impose CIL charges on development across Greater London. Section 59(2) of the regulations restrict the Mayor to funding roads or other transport facilities including Crossrail (the Elizabeth Line). The Mayor adopted amended MCIL rates on 4 February 2019 which will be used to contribute towards the funding of Crossrail 1 and Crossrail 2.
- 1.2. Implementing a new charging schedule, which sets out the rates the Mayor can charge on development, requires two rounds of public consultation and an examination in public led by an independent examiner. It requires attendance at consultation events, meetings with boroughs and developers and regular meetings with the borough MCIL collection officers to ensure the MCIL is collected efficiently. It also requires dealing with ad hoc CIL enquiries. Officers from the GLA London Plan team support TfL colleagues in this work but this diverts them from other activity.
- 1.3. Under the CIL Regulations (61(5)), The Mayor as charging authority is entitled to take a fee of up to 1% of total MCIL revenues to cover administrative expenses. For administrative ease, the Boroughs and Mayoral Development Corporations (MDCs) who collect the MCIL pay the proceeds direct to TfL. MCIL is currently raising more than £110m per annum, and TfL has been applying around half of the allowable 1% in recent years. GLA officers have estimated the amount of time they spend on MCIL and believe a figure of £60,000 p.a. is a realistic sum for the amount of time GLA officers dedicate to MCIL. This represents 10% of the total administrative expenses TfL will claim for 2018/19.
- 1.4. The 35 CIL authorities across London who are the collecting authorities for MCIL can each apply up to 4% in respect of their administrative costs. During the last financial year (2018/19) the sum retained collectively by the 35 authorities in respect of MCIL collection was £4.9 million.
- 1.5. On the 4 February 2019 the Mayor signed MD2413 to adopt MCIL2 to contribute towards funding Crossrail 1 and 2. The MD highlighted in paragraph 5.1 that the GLA's costs of working on MCIL could be covered from the administrative fee TfL retains from MCIL receipts.

2. Objectives and expected outcomes

- 2.1. In 2018/19 the GLA Planning team: worked with the MCIL TfL team to prepare and consult upon the final draft charging schedule, organised and attended the MCIL examination, and prepared the final schedule approved by the Mayor on 4 February 2019.

3. Equality comments

- 3.1. Equality issues relating to MCIL2 were considered in MD2413. It was considered that the proposals will not have a significant adverse impact on any particular social group or community. By helping finance Crossrail, the MCIL2 charging schedule will facilitate economic growth and increase access to opportunities, helping to improve outcomes for all.

4. Other considerations

Links to Mayoral strategies and priorities

- 4.1. Both the Mayor's Transport Strategy, the adopted London Plan and the emerging new London Plan prioritise the implementation of the Elizabeth Line (Crossrail 1) and Crossrail 2 to help deliver a large part of the capacity increases the transport network needs to both accommodate and facilitate London's anticipated growth.

Impact assessment

- 4.2. The MCIL2 charging schedule does not require a Strategic Environmental Assessment (SEA). Equalities impacts are addressed in section 3 above.
- 4.3. The viability evidence prepared by the Mayor and TfL's consultants, Jones Lang LaSalle demonstrates that the MCIL2 rates proposed will not unduly impact on development viability across London; the Examiner supported the approach taken in the viability evidence section in his report on the MCIL2 draft charging schedule examination.

Key risks

- 4.4. MCIL is analogous to a tax on development. Total levels of MCIL received will vary in response to changes in the development cycle. TfL is confident that it will be able to afford future GLA costs around this level of funding, with these costs to be established on an annual basis to reflect work undertaken in any particular year.

5. Financial comments

- 5.1. This decision recommends that the Director agrees to a transfer of £60,000 from TfL for the GLA's Planning Team's costs incurred on MCIL in 2018-19. This payment is to be funded from the annual 1% administrative fee TfL are entitled to levy against MCIL receipts. As the GLA will be receiving virtually all MCIL receipts from TfL from 2019-20 onwards, this year and future year costs arising to the GLA's Planning Team will be paid by the GLA.

6. Legal comments

- 6.1. With the consent of the Mayor, TfL may provide a revenue grant to the GLA (section 121 of the Greater London Authority Act 1999). The officers are reminded that, in accordance with the said section, no conditions may be imposed upon the GLA's use of the granted funds other than that the funds not be used for capital expenditure.
- 6.2. As explained in paragraph 1.3 above, Regulation 61(5) of the CIL Regulations enables the Mayor to retain 1% of the MCIL revenues to cover administrative expenses incurred in connection with the collection of MCIL. This includes the necessary GLA officers' costs.

7. Planned delivery approach and next steps

- 7.1. As this DD is seeking a financial transfer for an existing project, there is no new planned delivery.

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 - Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form - NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Darren Richards has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Juliemma McLaughlin name has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on the ^{3.6.19}~~(insert date)~~

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. D. Ollie

Date

6.6.19