

Mayoral Community Infrastructure Levy – Summary of Consultation Responses December '17-February '18 by Issue

No.	Issue Raised	Respondents	Suggested Response
	Rates (11)		
1	Cumulative Impact of all obligations on development viability (33)	OPDC, LB Tower Hamlets, LB Bromley, Corporation of London, LB Enfield, Berkeley group, Sport England, Savills obo Peabody, CPA/WPA, RB Kensington & Chelsea, City of Westminster, Carter Jonas obo National Grid, LB Camden, British Property Federation, LB Redbridge, LB Richmond, LB Wandsworth, Quod obo Stratford City, LB Hillingdon, LB Lambeth, LB Brent, LB Waltham Forest, LB Hackney, DP9 for London Newcastle, LB Hammersmith & Fulham, Quod obo One Housing, LB Hounslow, DP9 for Lendlease, DP9 for BPS, DP9 for OO, DP9 for HBR, Islington, E&C partnership	• Work undertaken by JLL (see section 9.4) shows, in the most marginal Band 2 authority, there is an increased buffer available due to the increase in values over costs, viability issues lessened. • Band 3 rates are reducing compared to existing indexed rates • MCIL is small factor in development economics. Development volumes have continued to increase since MCIL1 was introduced suggesting that other factors are influencing viability • An effective transport system capable of reacting to current/future population is also a prerequisite for development viability • Forthcoming London Plan review EiP is more appropriate forum to discuss issues around cumulative burden. • JLL consider London's underlying development viability characteristics could support higher MCIL2 rates, however, having taken specialist viability advice, the Mayor has chosen to keep MCIL2 rates low at this stage to encourage development.
2	Adverse impact on affordable housing (22)	OPDC, LB Tower Hamlets, Corporation of London, LB Enfield, Berkeley Group, Savills obo Peabody, CPA/WPA, RB Kensington & Chelsea, City of Westminster, British	• This is a specific subset of issues raised above. • MCIL2 will help deliver Crossrail 2, Crossrail 2 is projected to deliver 200,000 homes (most but not all of which will be in London), a substantial proportion of which will be affordable.

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		Property Federation, LB Redbridge, LB Richmond, LB Wandsworth, LB Lambeth, LB Brent, LB Waltham Forest, LB Hackney, DP9 for London Newcastle, LB Hammersmith & Fulham, Quod obo One Housing, DP9 for BPS, DP9 for old oak	• Forthcoming London Plan review EiP is more appropriate forum to discuss issues around affordable housing provision, as affordable housing is a S106 issue. • Mayor has kept MCIL2 rates low to encourage development and affordable housing delivery. Boroughs must take joint responsibility to ensure that their Borough CILs are set at levels which encourage affordable housing delivery.
3	Concern re use of top-down methodology of viability evidence (19)	LB Tower Hamlets, LB Enfield, Savills obo Peabody, RB Kensington & Chelsea, City of Westminster, British Property Federation, LB Redbridge LB Richmond, LB Wandsworth, Quod obo Stratford City, LB Lambeth, LB Waltham Forest, LB Hackney, LB Hammersmith & Fulham, DP9 obo Lendlease, DP9 obo Battersea PLCL, DP9 obo Old Oak Park, DP9 obo HB Reavis UK Ltd, LB Islington	• The top-down methodology is appropriate for a London wide low level CIL that is designed to work across a wide geography and property market. • The methodology provides a simple approach and is proportionate to the practicality of implementation and the quantum of the rates proposed. • The simple approach of the Mayor for MCIL1, found sound by the examiner, has been adopted for MCIL2. • In contrast to the low rate MCIL1 and the MCIL2 proposals, Boroughs CILs are in many cases many multiples of Mayoral CIL. The comparatively high Borough CIL rates are set across a narrower geography where Boroughs can and have taken a more granular approach to viability testing, commensurate with borough geography and quantum of Borough CIL rates.
4	Impact on Opportunity Areas (17)	LB Tower Hamlets, LB Enfield, Savills obo Peabody, RB Kensington & Chelsea, LB Redbridge, LB Wandsworth, LB Lambeth, LB Brent, LB Waltham Forest, DP9 obo London Newcastle, LB Hammersmith & F, LB	• Opportunity areas are not homogenous, they are a policy designation reflecting their capacity to provide homes and jobs. • Designation as an Opportunity area does not imply they are areas with viability constraints. • Setting a lower or zero rate may contravene state aid rules.

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		Hounslow, LB Southwark, DP9 obo Battersea PLCL, DP9 obo Old Oak Park Ltd, DP9 obo HB Reavis UK Ltd, Elephant & Castle Partnership	
5	Mayor's approach to charging needs to be finer grained (7)	LB Hackney, LB Hammersmith & Fulham, RB Kensington & Chelsea, City of Westminster, LB Richmond, LB Wandsworth, LB Hillingdon,	- Mayor believes that borough level CILs are a better vehicle to address viability sensitivities within boroughs. - JLL analysis (Tables 13 and 15) shows MCIL 1 and the proposed MCIL2 rates to be a very low percentage against house prices.
6	Increase in MCIL2 rates in boroughs unjustified (4)	LB Hammersmith & Fulham, LB Hounslow, DP9 obo London Newcastle, LB Redbridge	- All but three boroughs have remained in their MCIL1 band. - JLL viability work (Table 4, Figure 5) shows increase can be justified.
7	Support proposed banding (3)	LB Croydon, LB Sutton, LB Barnet	Support welcomed.
8	Support zero rating for health/education (2)	British Property Federation, LB Sutton	Support welcomed.
9	Apply zero rating to community and industrial uses (1)	LB Brent	- Community developments are often part of larger mixed use schemes where CIL can be absorbed by the mix of uses. - Community facilities developed by charities would enjoy statutory exemption. - Most of London's industrial floorspace located in Band 3 boroughs where rates are proposed to fall - Land values for industrial uses have risen substantially since MCIL1 reflecting higher rents and demand.

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10	Apply zero rating to emergency services (1)	Corporation of London	These are public goods, ensuring a consistent reliable approach to public goods may be problematic. Health uses already zero rated.
11	Sport and recreation facilities should be exempt (1)	Sport England	- Sports fields would not attract CIL. - Sports clubs are often charities so new pavilions would be exempt as of right. - If a sports club is for profit (e.g.gym or football stadia) Mayor believes there is no case for exemption on viability grounds.
	Geography (7)		
12	Authorities may be in incorrect band (5)	OPDC, LB Bromley, LB Enfield, LB Waltham Forest, DP9 obo Old Oak Park Ltd	- Approach taken is consistent with that used for adopted MCIL and found sound by examiner. - Little evidence submitted to the contrary.
13	Central London charging area incorrect – Elephant & Castle should be excluded (3)	LB Southwark, DP9 obo Lendlease, Elephant & Castle Partnership	- JLL viability evidence suggest that Elephant & Castle area is now part of central London - Elephant & Castle is part of CAZ, an accepted boundary for administrative purposes - No strong evidence for exclusion has been forthcoming
14	Central London charging area incorrect – Vauxhall and Battersea should be excluded (2)	LB Wandsworth, DP9 obo Battersea PLCL	- JLL viability evidence suggest that this area is now part of central London which can be supported by office rental values and residential sales values that are comparable to other central London locations within the CAZ. - Since the viability work for MCIL1 was undertaken, office rental values have increased circa 90% from c.£27.50 per sq.ft to £52.50+ per sq.ft as at Q4 2017, demonstrating fundamental viability improvement over time. - Developers heavily promoting Northern Line Extension, placing it within the same travel zone as other established central London locations.

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15	Central London charging area incorrect – Waterloo should be excluded (2)	LB Lambeth, DP9 obo HB Reavis UK Ltd,	- JLL viability evidence suggest that this area is part of central London. - A specific development site within a charging band should not be the yardstick for determining viability since rates have to work across all development across the area.
16	Isle of Dogs boundary is incorrect (2)	LB Tower Hamlets – Northern boundary Quod obo One Housing – Southern boundary	- Mayor's representatives met LBTH officers to discuss this boundary. LBTH expressed concern about the inclusion of Poplar High Street within Charging Area and impact on retail development in this location. - The boundary was amended by the Mayor at DCS stage to reflect these concerns. The suggested use of Aspen Way as boundary therefore contradicts previous advice given by officers from LB Tower Hamlets. - Revised boundary is intended to assist in supporting development along Poplar High street but is also designed to capture potential development sites to the north of Canary Wharf. - Boundary amended following advice by officers from LB Tower Hamlets.
17	Rates between LLDC and LBN should be consistent (1)	Quod obo Stratford City	Borough bands determined by house prices.
18	Central London charging area boundary incorrect – Camden (1)	LB Camden	- Mayor's representatives willing to meet LBC to consider the proposed Camden boundary. - However, the proposed Central London Charging Area boundary follows adopted CAZ boundaries and is supported by the Camden Local Plan.

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	Other Issues not directly relevant to charging schedule (9)		
19	Concern over use of MCIL 2 if Crossrail 2 not progressed (22)	OPDC, LB Bromley, LB Bexley, Corporation of London, LB Croydon, LB Lewisham, CPA/WPA, City of Westminster, Carter Jonas obo National Grid, LB Camden, British Property Federation, GVA obo L&R, LB Brent, LB Hackney, DP9 obo London Newcastle, LB Hammersmith & Fulham, LB Hounslow, LB Sutton, DP9 obo Lendlease, LB Southwark, DP9 obo Old Oak, LB Barnet	• Regulation 59 (2) restricts MCIL to strategic transport infrastructure. • Mayors' Transport Strategy sets out a number of schemes requiring investment. • In the event that Crossrail 2 does not progress MCIL2 receipts can be used to contribute to significant enhancements to the TfL network that would otherwise not be funded in TfL's business plan. • If Crossrail 2 does not proceed, it is likely that TfL and the Mayor would hold a consultation to identify appropriate schemes.
20	The principle of using MCIL to fund Crossrail 2. (20)	OPDC, Corporation of London, LB Enfield, Berkeley Group, LB Lewisham, CPA/WPA, RB Kensington & Chelsea, City of Westminster, Carter Jonas obo National Grid, LB Camden, British Property Federation, LB Redbridge, LB Lambeth, LB Brent, LB Waltham Forest, LB Hackney, DP9 obo Old Oak, DP9 obo HB Reavis, LB Islington, LB Barnet	• Support welcomed.

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21	First round comments have not been properly addressed (9)	RB Kensington & Chelsea, City of Westminster, British Property Federation, LB Richmond, LB Wandsworth, LB Lambeth, LB Waltham Forest, LB Hammersmith & Fulham, LB Islington	• All first round representations were carefully considered. • Additional work has been undertaken by JLL to update viability study • Boundary changes to central London charging area and Isle of Dogs proposed. • The fact that changes were not made does not mean representations were not considered fully.
22	Other transport schemes should be prioritised over Crossrail 2 (4)	LB Bexley, LB Lewisham, LB Southwark, DP9 obo Old Oak Park Ltd	• Mayor has been clear that Crossrail 2 is his priority. • In the adopted London Plan (2016) Policy 6.4 B 'The Mayor will work with strategic partners to...increase public transport capacity by: c) developing Crossrail 2' • In the consultation draft London Plan (2017) Policy T3D states 'priority should be given to...securing Crossrail 2'
23	Those benefitting from scheme should contribute more. (4)	LB Bromley, City of Westminster, LB Redbridge, LB Lambeth	• CIL rates determined by viability not level of benefit.
24	Discretionary reliefs should be made available (4)	City of Westminster, Carter Jonas obo National Grid, LB Hammersmith & Fulham, DP9 for Old Oak Park	• Decision on making reliefs available rests with Mayor not Examiner. • Issue of reliefs form part of biennial review undertaken by Mayor in 2014, 2016 and later this year.
25	Issue Regulation 73B notice for land at rear of British Library (deals with payment in kind) (2)	Carter Jonas obo British Library Gerald Eve obo Stanhope	• As noted above, decision rests with Mayor. • Mayor is content to meet developers and discuss how development sites and infrastructure provision can be brought together to maximise value. • It would not generally be practical for individual MCIL payers to construct parts of strategic infrastructure that the Mayor is delivering through Regulation 59 (2) such as Crossrail. • As a result the Mayor has not made infrastructure payments available in Greater London in respect of MCIL and currently

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			has no intention to do so in respect of MCIL2, but will keep this under review.
26	Revenue raised on site should be spent on site (1)	GVA obo London & Regional	• CIL Regulation 59 (2) requires Mayor to raise revenue for strategic infrastructure. • Site specific improvements, even within an Enterprise Zone, would not be considered strategic infrastructure in a London-wide context • In addition, the notion of using MCIL receipts to subsidise a particular development could contravene State Aid rules.
27	Impact of moving from S106 regime (500 sq m threshold) to MCIL regime (100 sq m threshold) (1)	City of Westminster	• Based on JLL analysis, the net increase in floor space of schemes with a net increase of between 100sqm and 500 sqm is modest, particularly in terms of MCIL collected as a whole across the City of Westminster. • JLL estimate that in the year 2017-18, Westminster contributed £16.2m in MCIL receipts and properties with a net increase of between 100sqm and 500 sqm contributed 2.6% of this. • A number of these will have been residential and therefore not subject to extant S106 policy, so in reality the percentage will have been even smaller. • Regulation 14(1) b states that as part of the 'balance test' the Charging Authority should consider '<i>the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area</i>'. • A percentage of 2.6% of which only part is likely to be commercial and where in any event it is JLL's opinion there is no likely correlation between the quantum of net increase and viability, is unlikely to have a significant impact.



MCIL2 DRAFT CHARGING SCHEDULE

Mayor of London Community Infrastructure Levy 2 Draft Charging Schedule
Proposed to take effect from April 2019

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Planning Act 2008

Community Infrastructure Levy Regulations 2010 (as amended)

Mayor of London Community Infrastructure Levy 2 (MCIL2) Draft Charging Schedule

Proposed to take effect from April 2019

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 continue to charge the Community Infrastructure Levy 2 (MCIL2) from April 2019 in Greater London at the rates (expressed as pounds per square metre) presented below in Tables 1, 2 and 3 and the maps in Figures 1, 2 and 3.

- Table 1 and Figure 1 show the proposed charging rates for all development in Greater London (apart from the proposed rates for office, retail and hotel in Central London and the Isle of Dogs, and for health and education in all of Greater London) – in three bands comprising the administrative areas of the London boroughs and the Mayoral Development Corporations.
- Table 2 shows the proposed charging rates for office, retail and hotel in Central London and Isle of Dogs. Figures 2 and 3 show the boundaries of the Central London and the Isle of Dogs charging areas.
- Table 3 shows the proposed charging rates (zero) for health and education in all of Greater London.

Please see Annex 1 on calculation of the chargeable amount.

Please see the Explanatory Note for further detail on reliefs and exemptions, phasing and payment by instalments, and infrastructure to be funded by MCIL2.

Table 1: Proposed MCIL2 charging rates for all development in London¹

MCIL2 charging band	London Boroughs and Mayoral Development Corporations	MCIL2 rate from April 2019 (£ per sq m)
Band 1	Camden, City of London, City of Westminster, Hammersmith & Fulham, Islington, Kensington & Chelsea, Richmond-upon-Thames, Wandsworth	80
Band 2	Barnet, Brent, Bromley, Ealing, Enfield, Hackney, Haringey, Harrow, Hillingdon, Hounslow, Kingston upon Thames, Lambeth, Lewisham, Merton, Redbridge, Southwark, Tower Hamlets, Waltham Forest, London Legacy Development Corporation (LLDC), Old Oak & Park Royal Development Corporation (OPDC)	60
Band 3	Barking & Dagenham, Bexley, Croydon, Greenwich. Havering, Newham, Sutton	25
¹ except for the proposed rates for office, retail and hotel in Central London and the Isle of Dogs (see Table 2), and for health and education in all of Greater London (see Table 3)		

Figure 1: Proposed MCIL2 charging bands

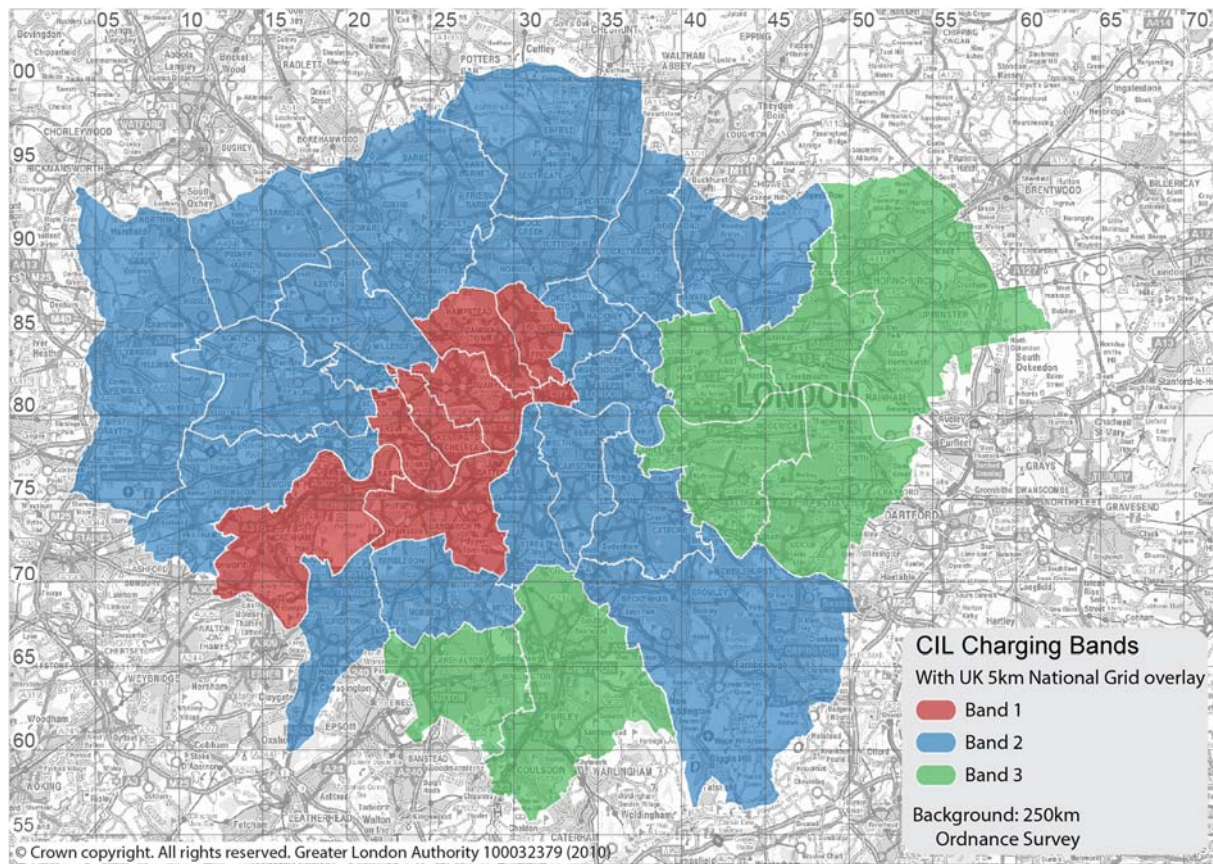


Table 2: Proposed MCIL2 charging rates for office, retail and hotel in Central London and Isle of Dogs

Land use	MCIL2 rate from April 2019 (£ per sq m)
Office	185
Retail	165
Hotel	140

Figure 2: Proposed Central London MCIL2 charging area for office, retail and hotel use

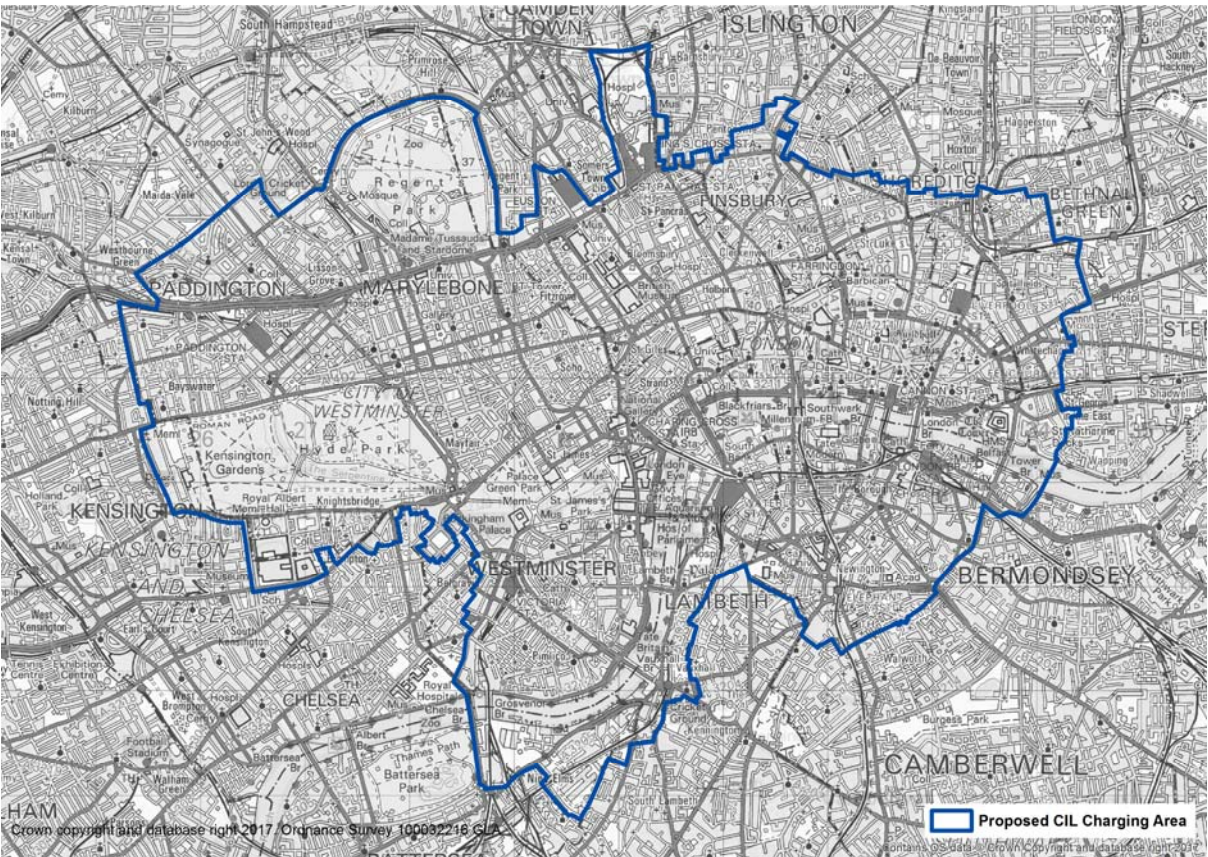


Figure 3: Proposed Isle of Dogs MCIL2 charging area for office, retail and hotel use

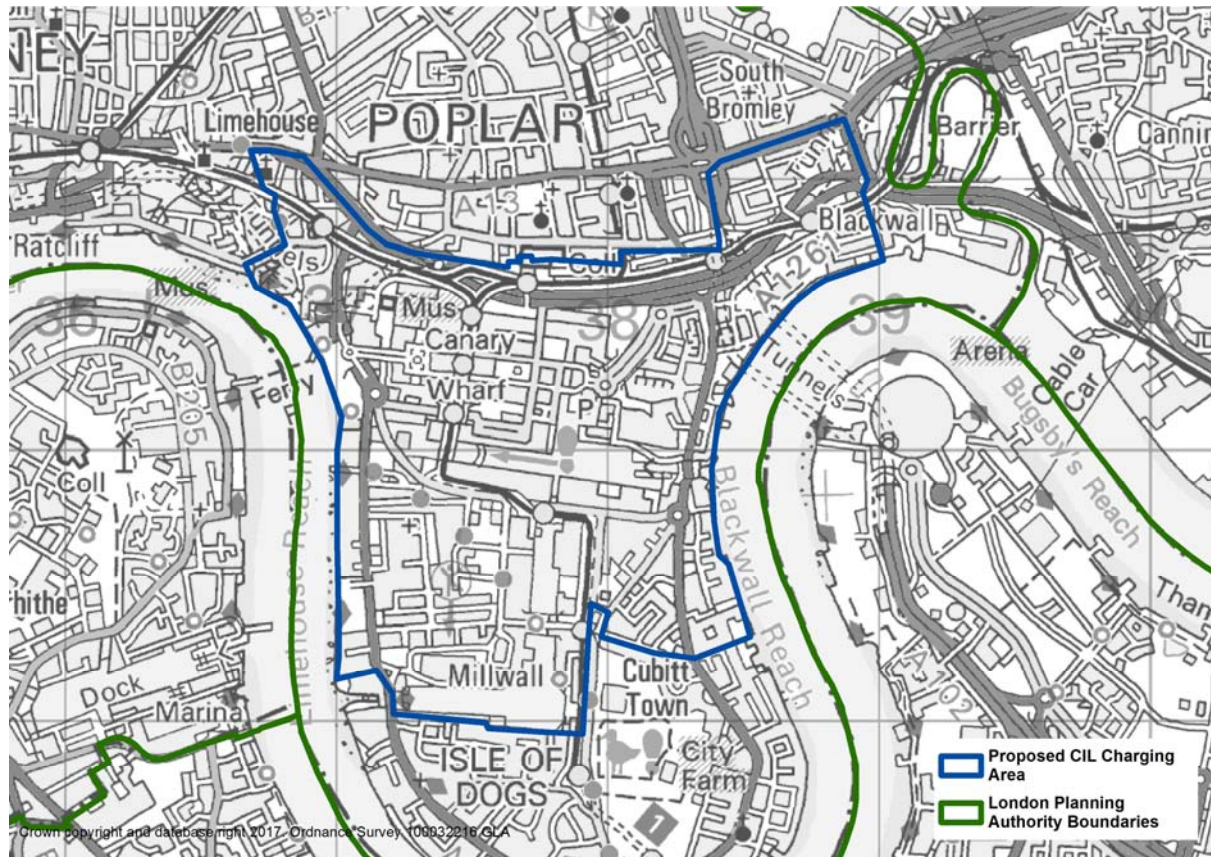


Table 3: Proposed MCIL2 charging rates for health and education in London

Land use	MCIL2 rate from April 2019 (£ 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 paragraph 5 of Regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended) (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 office, hotel and retail uses in Central London and Isle of Dogs shown in Table 2 and in respect of the intended uses shown in Table 3, 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 ***

This Schedule takes effect on ***

Annex One

to the MCIL2 Draft Charging Schedule

Extract from the Community Infrastructure Levy (amendment) Regulations 2010 (as amended)

(nb: this Annex is formally part of the MCIL2 Draft Charging Schedule)

PART 5 – CHARGEABLE AMOUNT

Regulation 40 (calculation of chargeable amount)

- (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, taken from the relevant charging schedules, at which CIL is chargeable in respect of the chargeable development.
- (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, calculated in accordance with paragraph (7);

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) In this regulation the index figure for a given year is—
- (a) the figure for 1st November for the preceding year in the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors¹; or
 - (b) if the All-in Tender Price Index ceases to be published, the figure for 1st November for the preceding year in the retail prices index.

- (7) The value of A must be calculated by applying the following formula—

$$G_R - K_R - \frac{(G_R \times E)}{G}$$

where—

G = the gross internal area of the chargeable development;

G_R = the gross internal area of the part of the chargeable development chargeable at rate R;

K_R = the aggregate of the gross internal areas of the following—

- (i) retained parts of in-use buildings, and
- (ii) for other relevant buildings, retained parts where the intended use following completion of the chargeable development is a use that is able to be carried on lawfully and permanently without further planning permission in that part on the day before planning permission first permits the chargeable development;

E = the aggregate of the following—

- (i) the gross internal areas of parts of in-use buildings that are to be demolished before completion of the chargeable development, and
- (ii) for the second and subsequent phases of a phased planning permission, the value E_x (as determined under paragraph (8)), unless E_x is negative,

provided that no part of any building may be taken into account under both of paragraphs (i) and (ii) above.

¹ Registered in England and Wales RC00487

- (8) The value E_X must be calculated by applying the following formula—

$$E_P - (G_P - K_{PR})$$

where—

E_P = the value of E for the previously commenced phase of the planning permission;

G_P = the value of G for the previously commenced phase of the planning permission;
and

K_{PR} = the total of the values of K_R for the previously commenced phase of the planning permission

- (9) Where a collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish that a relevant building is an in-use building, it may deem it not to be an in-use building.
- (10) Where a collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish—
- (a) whether part of a building falls within a description in the definitions of K_R and E in paragraph (7); or
 - (b) the gross internal area of any part of a building falling within such a description,
- it may deem the gross internal area of the part in question to be zero.
- (11) In this regulation—
- “building” does not include—
- (i) a building into which people do not normally go,
 - (ii) a building into which people go only intermittently for the purpose of maintaining or inspecting machinery, or
 - (iii) a building for which planning permission was granted for a limited period;
- “in-use building” means a building which—
- (i) is a relevant building, and
 - (ii) contains a part that has been in lawful use for a continuous period of at least six months within the period of three years ending on the day planning permission first permits the chargeable development;

“new build” means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings;

“relevant building” means a building which is situated on the relevant land on the day planning permission first permits the chargeable development;

“relevant charging schedules” means the charging schedules which are in effect—

- (i) at the time planning permission first permits the chargeable development, and
- (ii) in the area in which the chargeable development will be situated;

“retained part” means part of a building which will be—

- (i) on the relevant land on completion of the chargeable development (excluding new build),
- (ii) part of the chargeable development on completion, and
- (iii) chargeable at rate *R*.

Explanatory Note

to the MCIL2 Draft Charging Schedule

(nb: this Explanatory Note is not formally part of the MCIL2 Draft Charging Schedule)

COSTS OF ADMINISTRATION

- 1 Under Regulation 61 of the Community Infrastructure Levy Regulations 2010 (as amended) (the 'Regulations'), charging and collecting authorities (in this case the Mayor and the London boroughs) can use CIL proceeds to cover administrative expenses incurred in collecting the Levy up to specified limits – 4% of CIL collected in each year by collecting authorities, and 1% by charging authorities.

DIFFERENTIAL CHARGING

- 2 The Mayor proposes to set differential charges for different boroughs of Greater London to reflect the different levels of development viability within the Greater London charging area. The Mayor considers that given the nature of the judgement he is required to draw under the CIL legislation and guidance to use an area-based approach for land uses in London – taking a broad judgement about viability across London as whole – and a specific approach to office, retail and hotel use in Central London and Isle of Dogs. The charges proposed are set out in Tables 1 and 2.
- 3 In 2011, the then Mayor took a decision to set nil charge rates for education, medical and health developments in order not to undermine the economic viability of their provision. The Mayor proposes to continue applying this policy from April 2019 and to set nil charge rates (as he is empowered to do by Regulation 13(2)) for the following two types of development (as set out in Table 3):
 - 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.
 - 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.

RELIEFS AND EXEMPTIONS

- 4** Under Regulation 44, 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 propose to make this relief available. He considers that the better approach is to apply the Mayoral 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 Mayoral CIL across London as a whole unduly complex and burdensome.
- 5** Under Regulations 55 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 Mayoral CIL payable). The Mayor does not intend to make this relief available. He considers that it would be better to address problems of viability caused by the combined demands of Mayoral 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 Mayoral CIL across London as a whole unduly complex and burdensome.
- 6** For the avoidance of doubt the following are exempt from MCIL under the 2008 Act and the Regulations:

 - development of social housing
 - development by charities of their own land for their charitable purposes
 - development of less than 100 sq m (unless a whole house) and residential annexes or extensions
 - residential development by Self Builders

PHASING AND PAYMENT BY INSTALMENTS

- 7** The Mayor proposes to continue applying his current (MCIL1) instalment policy for MCIL2. The Mayor will continue to keep his instalments policy under review. Where a development attracts both the Mayoral and the local authority's CIL charge, the instalment policy of the local authority will continue to prevail. Details of the Mayor's CIL instalments policy can be found on the GLA's website.

REPORTING

- 8** As required by the Regulations, the Mayor will publish annual reports showing, for each financial year:
- how much has been collected in MCIL by the boroughs on his behalf;
 - how much of that money has been spent;
 - the items of infrastructure on which it has been spent;
 - any amount used to repay money borrowed;
 - the amount of MCIL used to cover administrative expenses; and
 - the amount of MCIL retained at the end of the reported year.
- 9** In addition to the annual reports, the Mayor will continue to publish his MCIL biennial reviews.

INFRASTRUCTURE TO BE FUNDED UNDER MCIL2 (REGULATION 123 LIST)

- 10** Regulation 59(2) restricts CIL spending by the Mayor to funding roads or other transport facilities, including Crossrail.
- 11** For the purposes of CIL Regulation 123(4)(a), the Mayor intends that the proceeds of MCIL2 will be put towards the funding of Crossrail 2.
- 12** The Mayor will keep the operation of MCIL2 and the position regarding the funding and implementation of Crossrail 2 under review. At the appropriate time he will make announcements about future uses of Mayoral CIL powers.

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MCIL2 DCS SUPPORTING INFORMATION

Mayor of London Community Infrastructure Levy 2 Draft Charging Schedule
Proposed to take effect from April 2019

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1 INTRODUCTION

- 1.1 This supporting information document is issued by the Mayor of London alongside the Mayoral CIL 2 (MCIL2) Draft Charging Schedule (DCS) and its Viability Evidence Base supporting evidence document as the next step in setting a London-wide Community Infrastructure Levy 2 under the powers set out in Part 11 of the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended).
- 1.2 These powers enable the Mayor to set a charge called the Community Infrastructure Levy (CIL) which will be paid by most new development in Greater London which:
- consists of buildings that are usually used by people (this excludes buildings to which people do not usually go to, or go to occasionally to inspect machinery, and structures like electricity pylons which are not buildings)
 - has 100 square metres or more of gross internal floorspace or involves creating one dwelling even where this is below 100 sq m (although any net charge of less than £50 will not be collected)
- 1.3 CIL charges are based on the net additional increase in floorspace of a development.
- 1.4 The Mayor brought in his first CIL (MCIL1) in April 2012 in order to contribute to Crossrail's £600 million developer contributions funding target. MCIL1 applies across all of London and to most land uses, with the exception of education, health, and certain uses exempted by statute, such as affordable housing.
- 1.5 MCIL1 complements the Crossrail S.106 contributions scheme, which was introduced through London Plan alterations published in April 2010. London Plan Policy 6.5 permits the seeking of S.106 contributions from office, retail and hotel developments in Central London and the Isle of Dogs, in order to mitigate the additional demand for public transport that the Crossrail project will help address.
- 1.6 All proceeds from MCIL1 are used for Crossrail funding. There is strong evidence that the Crossrail funding target will be reached by March 2019, the required date.

1.7 The Mayor proposes that:

- Mayoral CIL continues to be levied from April 2019 (as MCIL2)
- MCIL2 supersedes the current Crossrail S106 charge which will be brought to an end simultaneously with the start of MCIL2, and
- the rates for MCIL2 largely reflect a combination of MCIL1 and the Crossrail S106 charge, adjusted for current viability.

1.8 For clarity, Mayoral CIL, introduced in April 2012, is referred to as MCIL1 throughout this document, whereas the proposal for continuation of the levy from April 2019 is referred to as MCIL2. Whilst only one Mayoral CIL will be chargeable at any one time, it is conceivable that there may be two Mayoral CIL charges levied in the first years of MCIL2. This is because under the Regulations, any chargeable development permitted before April 2019 – but implemented after this date – would continue to attract MCIL1 charges.

1.9 The money raised by the MCIL2 is required by law to pay for strategic transport infrastructure needed to support London's development. The Mayor proposes to use his MCIL2 to help meet part of the cost of the Crossrail 2 project, which is a strategic priority to support the growth and development of Greater London and lies at the heart of the draft London Plan and draft Mayor's Transport Strategy.

1.10 Under the CIL Regulations, the amount of CIL to be paid (with a figure given per square metre of development and an explanation of the method to be used to work out how much should be paid in each case) has to be explained in a formal document called a Charging Schedule.

1.11 The Mayor has to carry out two rounds of public consultation on his proposed Charging Schedule:

- First, he must consult on a preliminary draft. This took place June-July 2017.
- Having considered the comments made on the preliminary draft, he must then consult again on a Draft Charging Schedule for a period of at least four weeks. This took place December 2017- February 2018 Any person or organisation that makes comments at this stage will have the right to be heard at the CIL public examination (see below)

- 1.12 The Mayor then has a further opportunity to make changes to the Draft Schedule and, if he does so, he has to allow a further four weeks for public consultation on these changes.
- 1.13 Following this consultation, the Mayor has to appoint an independent examiner to conduct an Examination in Public (EiP) into the Draft Charging Schedule. This public hearing will ensure that:
- The Mayor has complied with the procedures for setting the CIL as set out in legislation and the CIL Regulations
 - The Schedule is supported by background documents containing appropriate available evidence.
- 1.14 The Mayor intends to hold the MCIL2 EiP in September 2018. Subject to a favourable Examiner's report, the Mayor intends to commence levying MCIL2 charges in Greater London from April 2019.

2 CROSSRAIL 2 AND MCIL2

- 2.1 Crossrail 2 is a proposed new railway serving London and the wider South East. It connects the National Rail networks in Surrey and Hertfordshire via a new tunnel and stations between Wimbledon, Tottenham Hale and New Southgate, linking in with London Underground, London Overground, Crossrail 1, and national and international rail services.
- 2.2 Like Crossrail 1, Crossrail 2 will address major emerging pressures on the transport network. Population and employment in London and the South East are forecast to grow strongly – by a further 20 per cent over the next 15 years. Without action to relieve crowding, boost connectivity and unlock the delivery of new housing, the Greater South East won't grow sustainably in coming decades.
- 2.3 From a transport perspective, Crossrail 2 will relieve key bottlenecks in central London, address critical crowding challenges on the South West Main Line and transform connectivity to key growth areas in north east London. It is also estimated to unlock around 200,000 additional homes along the line of route, as well as support 200,000 new jobs across the region. Around 40% of the transport benefits and more than 30% of the new housing will be realised in areas outside London.
- 2.4 The importance of Crossrail 2 was acknowledged by the National Infrastructure Commission (NIC) in 2016, which recommended that Crossrail 2 be taken forward as a priority with the aim of opening in 2033. In March 2017, the Mayor submitted the Crossrail 2 Strategic Outline Business Case (SOBC) to the Government for further consideration.

Crossrail 2 summary benefits				
up to £150 billion increase in UK gross value added (GVA)	along with Crossrail 1, directly connects cross London rail services to 40 of the UK's largest urban areas	60,000 new supply chain jobs created across the UK, including 18,000 apprentices	supports 200,000 new jobs across the wider South East region	200,000 additional homes along the line of route

- 2.5 Crossrail 2 will deliver significant benefits, but significant investment is required to realise these benefits. TfL estimates Crossrail 2 will cost around £30 billion in 2014 prices¹, including the cost of new trains and Network Rail works. This estimate is subject to ongoing benchmarking and value engineering exercises. A further round of consultation on the latest proposals is planned for 2018.
- 2.6 The NIC said: “It is vital that a funding package for Crossrail 2 is developed which strikes a fair balance between the contributions made by London taxpayers and businesses and by central government.” It noted that: “HM Treasury should be in a position to recoup significant receipts from the added Gross Value Added (GVA) benefits and the rising value of property in London” and recommended a ‘London deal for Crossrail 2’ funding agreement, through which London contributes more than half the costs of the scheme.² In July 2017, the Mayor and the Secretary of State for Transport issued a joint statement³, which reaffirmed the need for new infrastructure to support the region’s growth and ensure it continues as the UK’s economic powerhouse, and agreeing a programme of work to see how London could fund half of the scheme during construction.
- 2.7 Transport for London, the Greater London Authority and the Government have been working to develop a funding package for the project, to include the following four funding sources:
- Crossrail 2 net operating surplus – i.e. the net impact of Crossrail 2 on TfL’s rail revenues
 - Over Station Development – proceeds from development of land and property required for construction (development undertaken as part of Crossrail 2 will pay Mayoral CIL 2 on the same basis as other developments)
 - a continuation of the Business Rate Supplement (BRS) at 2p, once the current BRS has generated funding sufficient to repay Crossrail 1 related debt (currently expected in 2033).
 - a Mayoral Community Infrastructure Levy (MCIL2).

¹ <http://crossrail2.co.uk/discover/funding/>

² ‘Transport for a world city’, NIC, pp12-13: <http://1267lm2nzpvy44li8s48uorode.wpengine.netdna-cdn.com/wp-content/uploads/2016/08/Transport-for-a-World-City-March-2016.pdf>

³ <https://www.gov.uk/government/news/crossrail-2-a-way-forward>

- 2.8 This document sets out the preferred design of MCIL2, which could provide 15-20 per cent of project costs⁴.
- 2.9 The proposed use of a Mayoral CIL in this way is not new. It is already being used to help fund Crossrail. MCIL1 was designed as a single rate community infrastructure levy for each London Borough, applied to all development other than education and health. It was set at a relatively low level.
- 2.10 The Government commenced an independent national review of community infrastructure levies in November 2015. The independent review group's report, published in February 2017, noted that "despite some early complaints, (the Crossrail 1 Mayoral CIL) seemed to end up being broadly acceptable to all and indeed was frequently cited as a success story."⁵ The underlying principles of the proposed design of MCIL2 remain the same, with some changes to reflect the proposed removal from April 2019 of the current section 106 charge which applies in some areas, and to reflect lessons learned from the implementation of MCIL1.
- 2.11 Work on Crossrail 2 suggests that the economic and other benefits resulting from the project will be widely felt across London. The design of MCIL 2 ensures that developments across London will each make a contribution to the costs of the project. The aggregate sum of these contributions will form an important part of the proposed funding solution for the scheme, including by supporting borrowing undertaken by the Mayor⁶.
- 2.12 Negotiations on the Crossrail 2 scheme are still underway and there is no agreed funding package at present. However, MCIL2 does need to be brought forward now to avoid a charging gap at the end of Crossrail 1 construction and to allow for funding London's share of the development costs of the Crossrail 2 scheme. Should

⁴ TfL's submission to the National Infrastructure Commission (April 2016) forecast 16.9%. This will be updated as the business case is developed. See <http://crossrail2.co.uk/wp-content/uploads/2016/10/Crossrail-2-NIC-evidence-submission.pdf>

⁵ 'A new approach to developer contributions – a report by the CIL Review Team', submitted October 2016, page 12:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/589637/CIL_REPORT_2016.pdf

⁶ The mayor has proposed to the Government that he should use the MCIL receipts during the construction period to pay London's share of the development costs and to service the debt TfL will take out. He has explained that this will require a change in CIL regulations. Negotiations over Crossrail 2 are proceeding on the basis of this assumption, with the mayor and the Secretary of State for Transport exploring options for London financing 50% of the cost during construction.

the Crossrail 2 project not be taken forwards, the Mayor would be able to apply the MCIL 2 proceeds to fund other strategic infrastructure.

3 SETTING MCIL2 RATES

Meeting the CIL tests

- 3.1 In setting the CIL rates set out in the Mayoral CIL DCS, the Mayor is required to strike an appropriate balance between:
- The desirability of using the CIL to fund the cost of infrastructure to support the development of his area taking into account of other actual and expected sources of funding

The evidence for this is summarised in Section 2 of this further information document and more detail in the NIC submission⁷ and Strategic Outline Business case (SOBC) currently under consideration by Government. It shows the vital strategic importance of Crossrail 2 to the development of Greater London. It also shows that the sum to be raised through the MCIL 2 will contribute towards funding the project, alongside other sources.

- The potential effects (taken as a whole) of the imposition of the CIL on the economic viability of development across its area

The evidence for this is set out in the supporting evidence document⁸. This explains the basis on which the Mayoral CIL 2 rates set out in Mayoral CIL DCS were arrived at, and at how the differential charge rates for each London borough and for specific land uses were derived. It then shows that these rates (together with an allowance for administrative costs) should not have an undue impact on the viability of development across Greater London as a whole.

- 3.2 The Mayor has satisfied himself that the evidence meets the standards required in the CIL legislation. Section 211(7A) of the Planning Act 2008 requires the use of “appropriate available evidence” to inform charging schedules. As Government guidance recognises “the available data is unlikely to be fully comprehensive”⁹. Regulation 14 states that in setting the rates the charging authority must strike an

⁷ *ibid*

⁸ MCIL2 Viability Evidence Base for Draft Charging Schedule – JLL for the Mayor and TfL

⁹ DCLG, Community Infrastructure Guidance – How should the development be valued for the purposes of the levy? (June 2014) https://www.gov.uk/government/policies/planning-system?keywords=&detailed_format%5B%5D=detailed-guide&organisations%5B%5D=department-for-communities-and-local-government&public_timestamp%5Bfrom%5D=&public_timestamp%5Bto%5D=

appropriate balance between the funding of strategic transport infrastructure from CIL and the effect of the imposition of CIL on the economic viability of development across its area; for the Mayor, this area is Greater London as a whole, and the guidance states that “charging authorities should set a rate which does not threaten the ability to develop viably the sites and scale of development identified in the relevant Plan (the Local Plan in England, Local Development Plan in Wales, and the London Plan in London)”.¹⁰

- 3.3 In addressing these requirements, the Mayor has concluded that the approach outlined in the supporting evidence document is appropriate given the availability of data and the nature of the judgement he has to make – the effects on viability across Greater London.
- 3.4 As described in the supporting evidence document a number of different options were considered in coming to this judgement on the charging levels. The Mayor considered that the best approach is one that takes account of differing levels of viability in different parts of Greater London. This will also ensure boroughs will be able to raise resources through their own CILs without undue effect on viability.
- 3.5 On this basis of the evidence described in this document and the Viability Evidence Base, the Mayor has concluded that the proposed rates set out in the MCIL2 DCS do represent an appropriate balance as required in the Regulations. He also considers that the banding of boroughs into Charging Zones as shown in the MCIL2 PDCS remain an appropriate way of addressing viability across the different parts of Greater London.
- 3.6 In accordance with CIL Guidance and the Regulations, London boroughs must take into account any proposals for new Mayoral CIL rates when setting their own levy rates. The Mayor, when reviewing his levy rates, should also take account of borough levies that are in force at the time. This he has done.

Impact on development delivery in Opportunity Areas

- 3.7 In reaching his conclusions, the Mayor has also taken account of the location of the main reservoirs of land available for new housing and employment identified as

¹⁰ ibid

Opportunity Areas in the London Plan¹¹. Policy 2.13 of the London Plan promotes opportunity areas as locations to optimise residential and employment output. Map 2.4 in the Plan shows the 38 Opportunity Areas. Each Opportunity Area in the London Plan has indicative output figures for homes and jobs. These figures are summarised in Table 1. Opportunity Areas can be large and cross borough boundaries. Given that the bulk of predicted supply is allocated to lower charging bands (bands 2 and 3), the Mayor does not consider his proposed MCIL2 rates will impede delivery in the London Plan's Opportunity Areas.

Impact on housing delivery

- 3.8 The Mayor has also considered the location of London's housing capacity. The London Plan contains Policy 3.3 to boost housing supply and this is supplemented by Table 3.1 in the Plan which sets out a ten year target for housing supply. Table 2 shows that the bulk of London's predicted supply comes from the lower proposed charging bands – 66 per cent in Band 2 and 22 per cent in Band 3. Given that the bulk of predicted supply is allocated to lower charging bands, and in the light of the supporting viability evidence, the Mayor does not consider that the proposed MCIL2 rates will impede housing delivery.

Table 1: London Plan 2016 opportunity area outputs by MCIL2 bands

London Plan opportunity areas and MCIL2 bands	no.	%	homes	%	jobs	%
OAs wholly in band 1	8	21	23,400	8	68,200	12
OAs straddling bands 1 & 2	1	3	20,000	7	25,000	4
OAs wholly in band 2	19	50	146,800	49	374,800	65
OAs straddling bands 2 & 3	2	6	37,000	12	54,000	9
OAs wholly in band 3	8	21	73,800	25	53,000	9
total number of OAs	38	100	301,000	100	575,000	100

Source: London Plan March 2016 / GLA 2017

¹¹ The London Plan, Mayor of London March 2016 <https://www.london.gov.uk/what-we-do/planning/london-plan/current-london-plan>

Table 2: Number of authorities and London Plan 2016 aggregate ten year housing supply target in each MCIL2 band

MCIL2 bands	authorities	%	aggregate ten year housing target	%
band 1	8	23	51,921	12
band 2	20	57	278,684	66
band 3	7	20	93,282	22
Total	35	100	423,887	100

Source: London Plan March 2016 / GLA 2017

Impact on affordable housing delivery

- 3.9 Professional advice to the Mayor and TfL suggests that there are more important factors in determining the level of affordable housing than MCIL. Mayoral CIL remains a very small element of overall development costs, and rates of affordable housing are much more likely to be affected by other factors such as housing policy, the grant regime and costs of construction. Further, development of social housing is exempt from the CIL under the statutory provisions of the 2008 Act and the Regulations. Table 3 below shows the level of affordable housing permitted as part of S106 agreements between 2008-2016. It reveals a mixed picture, with Band 3 boroughs delivering higher levels of affordable housing than would be anticipated and Band 2 boroughs delivering slightly less. If MCIL rates were the key determinant in affordable housing provision one would expect declining provision as rates rose, this is clearly not the case. This suggest that other factors are more important in determining affordable housing delivery than MCIL2.

Table 3: Number of authorities and Affordable Housing permitted via S106 2008-2016

MCIL2 bands	authorities	%	Units permitted	%
band 1	8	23	1,910	22
band 2	20	57	4,314	48
band 3	7	20	2,703	30
Total	35	100	8,927	100

Source: London Development Database 2017

Scale of change – MCIL2 compared to MCIL1 and Crossrail S.106 charging

- 3.10 Tables 4 and 5 examine the likely scale of change at April 2019 between the levy rates and charges under the current MCIL1/S.106 regime (indexed/forecasted) and those proposed under MCIL2. Tables 6-8 show for each of the three commercial uses that uplift, which CIL is levied on, are less than 100% so will in reality be below the figures presented in the JLL viability evidence as they are based on the assumption of 100% uplift. Table 9 shows the same information for residential development, and reaches the same conclusion.

Conclusion

- 3.11 Taking account of all this evidence, the Mayor has concluded that the charging proposals outlined in the MCIL2 Draft Charging Schedule will not threaten the ability to develop viably the sites and scale of development identified in the London Plan.

Table 4: MCIL1 vs MCIL2 rates – all development in Greater London¹

MCIL2 bands	MCIL1 rate at April 2012 (£/sq m)	MCIL1 rate at Q3 2016 (indexed) (£/sq m)	MCIL1 rate at Q2 2019 (indexed/forecast) (£/sq m)	MCIL2 rate from April 2019 (£/sq m)	MCIL1 at 2019 compared to MCIL2	
					(£/sq m)	% change
band 1	50.00	64.57	65.25	80.00	+ 14.75	+ 23
band 2	35.00	45.20	45.67	60.00	+ 14.33	+ 31
band 3	20.00	25.83	26.10	25.00	- 1.1	- 4
¹ except for office, retail and hotel in Central London and Isle of Dogs, and for health and education in all of Greater London						

Source: JLL for the Mayor of London and TfL 2017 / GLA 2017

Table 5: Crossrail S.106 vs MCIL2 rates – offices, hotels and retail in Central London and Isle of Dogs

charging areas and uses	S.106 charge at April 2012 (£/sq m)	S.106 charge at Q3 2016 (indexed) (£/sq m)	S.106 charge at Q2 2019 (indexed/forecast) (£/sq m)	MCIL2 rate from April 2019 (£/sq m)	S.106 charge at 2019 compared to MCIL2	
					(£/sq m)	% change
Central London						
Offices	140.00	153.77	162.09	185.00	+ 22.91	+ 14
Retail	90.00	98.85	104.20	165.00	+ 60.8	+ 58
Hotels	61.00	67.00	70.62	140.00	+ 69.38	+ 98
Isle of Dogs						
Offices	190.00	208.69	219.98	185.00	- 34.98	- 16
Retail	121.00	132.90	140.09	165.00	+ 24.91	+ 18
Hotels	84.00	92.26	97.25	140.00	+ 42.75	+ 44

Source: JLL for the Mayor of London and TfL 2017 / GLA 2017

Table 6: Change in Completed Office (B1) floorspace sq.m. April 2012-March 2017

MCIL2 bands	Existing	Proposed	Uplift	%
band 1	730,488	1,194,544	464,056	38.8
band 2	142,679	227,942	85,263	37.4
band 3	31,499	51,084	19,585	38.3
Total	904,666	1,473,570	568,904	38.6

Source: London Development Database 2017

Table 7: Change in Completed Retail (A1) floorspace sq. m. April 2012- March 2017

MCIL2 bands	Existing	Proposed	Uplift	%
band 1	88,924	122,275	33,351	27.3
band 2	10,899	12,580	1,681	13.4
band 3	6,785	12,916	6,131	47.5
Total	106,608	147,771	41,163	27.9

Source: London Development Database 2017

Table 8: Change in Completed Hotel Bedrooms (C1) April 2012 – March 2017

MCIL2 bands	Existing	Proposed	Uplift	%
band 1	388	596	208	34.9
band 2	24	128	104	81.3
band 3	0	0	0	0
Total	412	724	312	43.1

Source: London Development Database 2017

Table 9: Change in Completed Residential (C3) floorspace sq.m April 2012 – March 2017

MCIL2 bands	Existing	Proposed	Uplift	%
band 1	497,944	1,183,286	685,342	66.3
band 2	1,370,300	4,302,828	2,932,528	68.2
band 3	531,686	1,576,437	1,044,751	57.9
Total	2,339,932	7,062,551	4,662,620	66.0

Source: London Development Database 2017

4 DRAFT CHARGING SCHEDULE – CONSULTATION RESPONSES

4.1 The second round of public consultation, the draft charging schedule (DCS), took place over December 2017 – February 2018. A total of 43 responses were received. Whilst they did contain a large element of support for Crossrail 2 or the use of a MCIL to fund Crossrail 2 they did raise a number of issues;

- cumulative impact on viability of proposed rates and adopted borough rates
- impact of proposed rates on affordable housing delivery
- use of top-down methodology and adequacy of viability evidence
- implications if Crossrail 2 is not progressed/use of MCIL2
- Support for Crossrail2 or use of MCIL
- Decision of Mayor not to make certain reliefs available

Cumulative impact

4.2 JLL (Jones Lang Lasalle – TfL/the Mayor's CIL viability consultants) have assessed the impact of revised charges in Hounslow, the most marginal Band 2 borough, and found that the impact of the proposed MCIL2 rates plus borough CIL rates can be absorbed and will leave a sufficient buffer – ie development viability should not be threatened within this band. Under MCIL2, MCIL rates are proposed to fall in Band 3 boroughs, so in this band viability should not be threatened – if anything, development viability should improve.

Affordable housing

4.3 This is not a new issue. In approving the MCIL2 PDCS for public consultation, the Mayor took a view on the balance between MCIL2 and affordable housing. After considering the responses nothing has emerged from this consultation to suggest the balance has changed. Delivering improved transport infrastructure can unlock growth leading to more housing delivery and better access to a wider range of jobs. The provision of transport infrastructure, like schools and doctors, is an integral part of planning for housing delivery.

Methodology

4.4 The current approach of a top-down London-wide analysis reflects the same approach used for MCIL1, endorsed by the MCIL1 Inspector in 2011. Earlier this

year, the Peace Review (the Government appointed panel to review the CIL nationally) praised the simplicity of the Mayor's approach.

What if Crossrail 2 doesn't happen?

- 4.5 Although the MCIL2 DCS documentation is clear on the Mayor's view on this issue¹², some respondents want to know what happens if Crossrail 2 does not proceed. The Mayor's Transport Strategy identifies unfunded transport schemes that MCIL2 could contribute towards, but none of them have the significant uplift in capacity that Crossrail 2 would deliver. In addition, the Mayor may not wish to speculate on this outcome should it encourage Government to delay significantly or drop the project. The Mayor will provide an update on the progress of the Crossrail 2 negotiations at the point of Examination.

Reliefs

- 4.7 Under the CIL Regulations, discretionary reliefs are not part of the charging schedule examination – the Mayor can decide at any time if he wishes to make reliefs available or not. These issues were considered in the February 2017 MCIL1 Biennial Review, and again when the debate about around changing CIL instalments policy took place. On both occasions, due to the cost and administrative complexity of making these reliefs available, the Mayor chose to continue to not make discretionary reliefs available for Mayoral CIL.

¹² "Negotiations on the Crossrail 2 scheme are still underway and there is no agreed funding package at present. However, MCIL2 does need to be brought forward now to avoid a charging gap at the end of Crossrail 1 construction and to allow for early funding of the Crossrail 2 scheme. Should no funding deal be achievable, the Mayor will be able to apply the MCIL2 proceeds to fund other strategic transport projects for which there is a significant funding gap." MCIL2 PDCS Supporting Information, Mayor of London, June 2017, paragraph 2.12

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MCIL2 DCS Consultation Responses

Supporting information

June 2018



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DRAFT

1 Responses to DCS consultation issues

This document provides supporting information to accompany the MCIL 2 DCS Consultation Responses Issues paper [dated].

1.1 Issue 9: Apply zero rating to community and industrial uses

Land values for industrial uses have risen substantially since MCIL1 reflecting higher rents and demand.

Industrial demand has increased due to the increase in ecommerce and the loss of industrial land to residential uses. Industrial land values have increased accordingly.

Colliers International produce an industrial rents map which includes land values over time. We have collated the land value data for both big and small industrial units (sheds) in 2012, the year of the introduction of MCIL1 and for H1 2018 to reflect current market conditions.

The table below shows the growth in industrial land values and in BCIS all-in TPI growth to reflect build cost inflation.

Table 1: Industrial land values and net growth between 2012 and 2018 – ‘Big Sheds’¹

Location	Area	Land value per acre (2012)	Land value per acre (H1 2018)	% increase in land values	BCIS All-in TPI index Q4 2012	BCIS All-in TPI index Q2 2018	% increase in BCIS All-in TPI index	Net growth (land value growth less build cost inflation)
Enfield	East	£725,000	£2,000,000	176%	224	316	41%	135%
Barking	East	£500,000	£1,400,000	180%	224	316	41%	139%
Dagenham	East	£450,000	£1,200,000	167%	224	316	41%	126%
Hayes	West	£1,000,000	£2,500,000	150%	224	316	41%	109%
Greenford	West	£1,000,000	£2,500,000	150%	224	316	41%	109%
Heathrow	West	£1,600,000	£3,000,000	88%	224	316	41%	46%
Average				139%			41%	98%

Source: Colliers International

Table 2: Industrial land values and net growth between 2012 and 2018 – ‘Small Sheds’²

Location	Area	Land value per acre (2012)	Land value per acre (H1 2018)	% increase in land values	BCIS All-in TPI index Q4 2012	BCIS All-in TPI index Q2 2018	% increase in BCIS All-in TPI index	Net growth (land value growth less build cost inflation)
Enfield	North	£800,000	£2,000,000	150%	224	316	41%	109%
Staples Corner	North West	£1,400,000	£3,000,000	114%	224	316	41%	73%
Uxbridge	North West	£1,100,000	£2,000,000	82%	224	316	41%	41%
Dagenham	East	£450,000	£1,250,000	178%	224	316	41%	137%
Barking	East	£550,000	£1,500,000	173%	224	316	41%	132%

¹ Big Sheds: Land values are based on prime locations only and relate to 10 plus acres. Source: <http://www.colliers.com/en-gb/uk/insights/industrial-rents-map> last accessed 07/06/2018.

² Small Sheds: Land values are based on prime locations only and relate up to 5 acres. Source: <http://www.colliers.com/en-gb/uk/insights/industrial-rents-map> last accessed 07/06/2018.

Location	Area	Land value per acre (2012)	Land value per acre (H1 2018)	% increase in land values	BCIS All-in TPI index Q4 2012	BCIS All-in TPI index Q2 2018	% increase in BCIS All-in TPI index	Net growth (land value growth less build cost inflation)
Canning Town	East	£1,000,000	£2,500,000	150%	224	316	41%	109%
Romford	East	£450,000	£1,000,000	122%	224	316	41%	81%
Walthamstow	East	£750,000	£1,200,000	60%	224	316	41%	19%
Croydon	South	£750,000	£1,600,000	113%	224	316	41%	72%
Woolwich	South East	£1,000,000	£2,500,000	150%	224	316	41%	109%
Feltham	South West	£1,350,000	£2,500,000	85%	224	316	41%	44%
Sunbury	South West	£1,200,000	£2,000,000	67%	224	316	41%	26%
Merton	South West	£1,250,000	£2,000,000	60%	224	316	41%	19%
Acton	West	£1,350,000	£3,000,000	122%	224	316	41%	81%
West Drayton	West	£1,200,000	£2,500,000	108%	224	316	41%	67%
Wembley	West	£1,200,000	£2,500,000	108%	224	316	41%	67%
Poyle	West	£1,500,000	£3,000,000	100%	224	316	41%	59%
Heathrow	West	£1,700,000	£3,000,000	76%	224	316	41%	35%
Park Royal	West	£1,750,000	£3,000,000	71%	224	316	41%	30%
Hayes	West	£1,200,000	£2,000,000	67%	224	316	41%	26%
Greenford	West	£1,200,000	£2,000,000	67%	224	316	41%	26%
Average				99%			41%	58%

Source: Colliers International

- Land value for big sheds, defined as sites 10+ acres, has increased across London by 139% on average between 2012 and 2018. BCIS All-in TPI inflation, reflecting build cost growth, has increased by 41% over the same period, with net growth (i.e. land value growth less build cost inflation growth) in the order 98% on average.
- Land value for small sheds, defined as sites of up to 5 acres, has increased across London by 99% on average between 2012 and 2018. BCIS All-in TPI inflation, reflecting build cost growth, has increased by 41% over the same period, with net growth (i.e. land value growth less build cost inflation growth) in the order 58% on average.
- Net growth in values over build cost inflation in the ranges presented above indicate sufficient viability to support the proposed increases in MCIL2 over the MCIL1 rate, including indexation.

1.2 Issues 13: Central London charging area incorrect – Elephant & Castle should be excluded

Response to issue: JLL viability evidence suggest that Elephant & Castle area is now part of central London

Elephant & Castle underground station is within Zone 1, which many in the property market consider to be synonymous with a central London location. See, for example, the developer Get Living London describe their development, Elephant Central as follows:

“Elephant Central is superbly connected. Located in Elephant & Castle, one of the most dynamic and diverse neighbourhoods in Central London. Historically the gateway to the City it is still home to a rich culture of theatre, music and art, as well as food from all over the world. Situated in zone 1, just a short walk away from the buzz

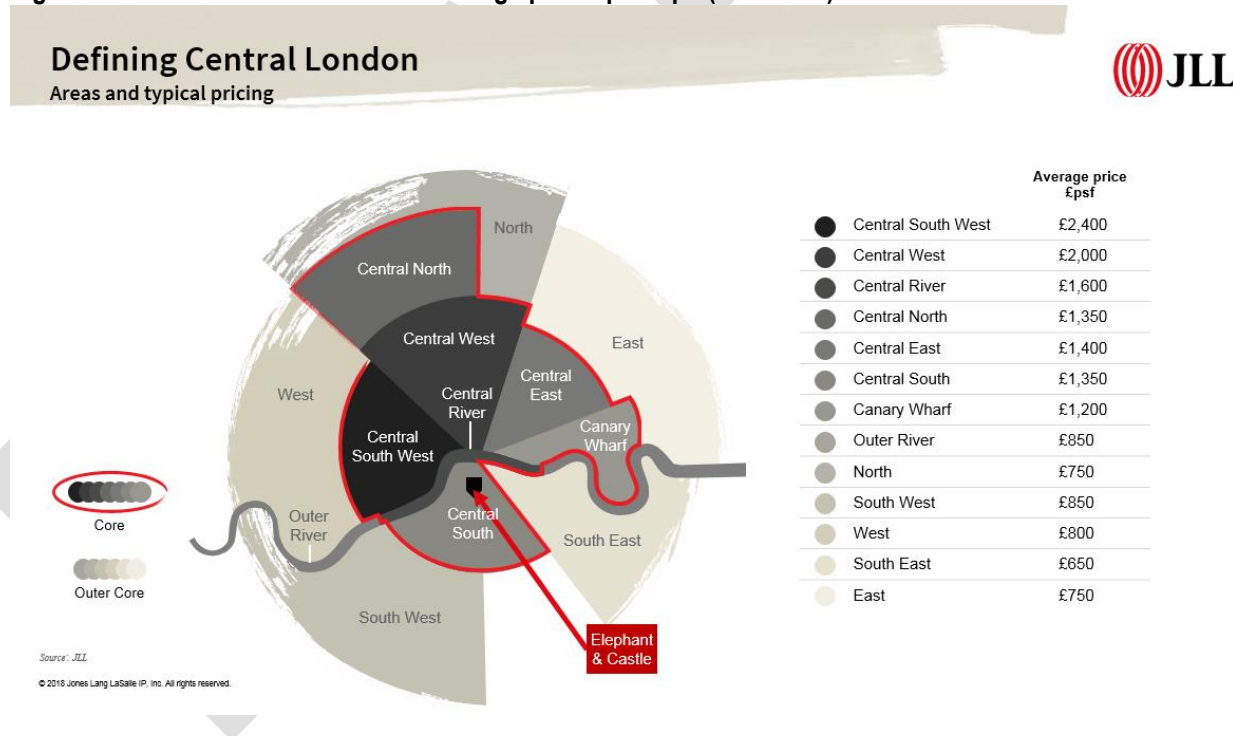
and culture of the South Bank and delicious wares of Borough Market – Elephant and Castle offers the ultimate in city living.”³

MCIL1 rates were set against viability relating to average house prices and the Crossrail S106 rates were designed to mitigate the impact of travel to work trips generated by commercial development in central London. At the time the Crossrail S106 Panel Report was prepared in 2010, Elephant & Castle was not considered to contribute to travel to work trips on a sufficient scale to warrant Crossrail mitigation and was therefore excluded from the Central London Contributions Area for Crossrail S106 purposes.

Significant regeneration is occurring in Elephant & Castle and there are currently 19 projects either complete, underway or in the pipeline.⁴ Lendlease, is the developer for the largest project. They characterise Elephant & Castle as ‘...a special part of central London. It’s a place with a vibrant history and an exciting future. Working in partnership with Southwark Council, Lendlease will deliver a £2.3 billion regeneration programme on 28 acres of land in the centre of Elephant & Castle creating one of the capital’s most exciting places to live, work and visit.’⁵

Elephant & Castle is now considered as being within central London’s core market. JLL places Elephant & Castle within the Central South submarket, where current average prices are in the order of £1,350 per sq ft for new build developments.

Figure 1: Central London residential average prices per sq ft (new build). June 2018.



In terms of commercial viability, DP9 on behalf of Lendlease, have provided information as part of their response to the MCIL2 DCS Consultation. The submissions include office rental evidence provided by CBRE, including a central London ERV map (estimated rental value) which states that prime office rents in Elephant & Castle are in the range of £42.50 to £45.00 per sq ft (February 2018). CBRE specifically reference rental

³ See: <http://www.getlivinglondon.com/elephant-central> - last accessed 07/06/2018.

⁴ See: <https://www.elephantandcastle.org.uk/overview-of-the-plans/> - last accessed 07/06/2018.

⁵ See: <https://elephantpark.place/> - last accessed 07/06/2018.

evidence at approx. £42.50 per sq ft at 241/252 Southwark Bridge Road and £43.00 per sq ft at 86 Great Suffolk Street which support this figure.

In addition, office rents are being achieved in close proximity to Elephant & Castle underground station at higher levels. In their supporting information to Lendlease's response to the DCS consultation, CBRE present the following rental deals in the vicinity:

Table 3: Office rent information provided by CBRE as part of the MCIL2 consultation response (DP9 on behalf of Lendlease) February 2018

Building	Reported rent (per sq ft)	Distance from Elephant & Castle underground station (approx.)	Direction (approx.)
Blue Fin Building	£74.00	0.9 miles	North
South Bank Central	£68.50	0.9 miles	North West
53 Great Suffolk Street	£66.50	0.6 miles	North
Union House	£66.50	0.7 miles	North
160 Blackfriars	£52.50	0.6 miles	North West
CBRE Elephant & Castle Prime rent	£42.50-£45.00	N/A	N/A

Source: CBRE. February 2018.

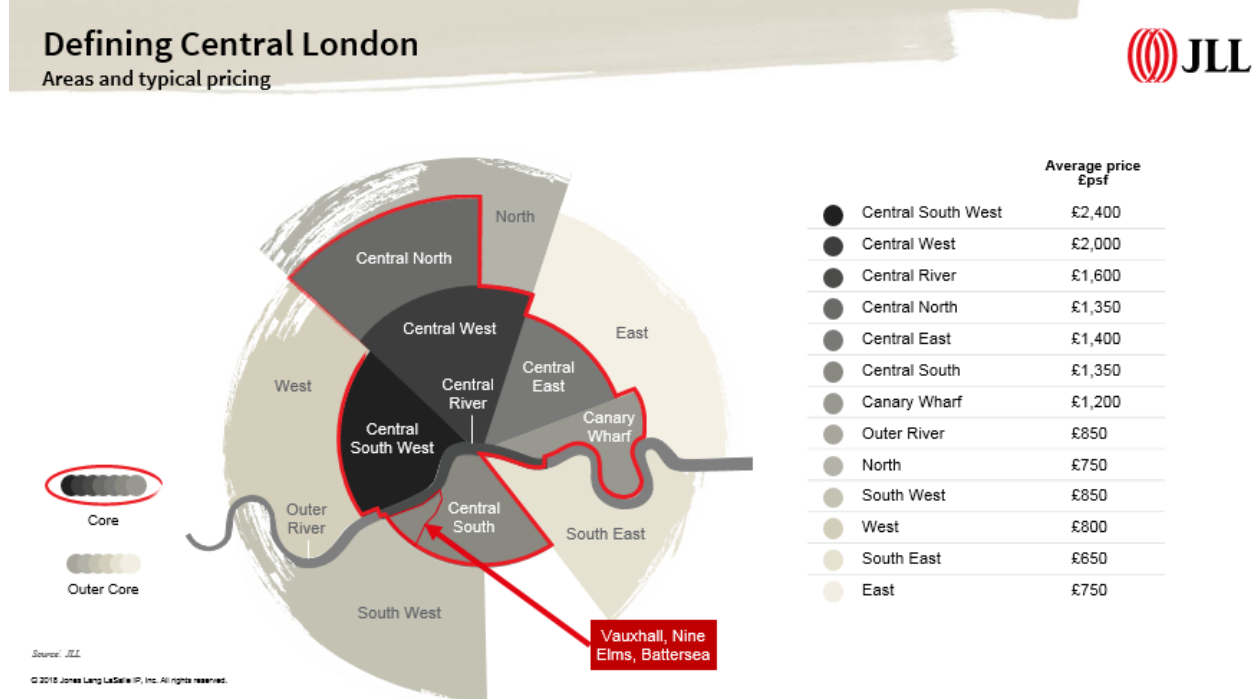
As at time of writing, CBRE have confirmed that the office accommodation at 241/251 Southwark Bridge Road (c.21,076 sq ft) which is located 0.1 miles from Elephant & Castle station, was put under offer before it went to market. Whilst the rental level is currently confidential, pre-letting of office accommodation is a key indicator of occupier demand and positive underlying viability. Current rents achieved in close proximity to Elephant & Castle underground station are at similar levels to other central London locations and therefore underlying development economics and likely to support the proposed MCIL2 charging schedule rates.

Also see **Section 2** of this report for extracts of central London submarkets as defined by London's major property agents which include Elephant & Castle within the boundary definitions of the Southbank.

1.3 Issue 14: Central London charging area incorrect – Vauxhall and Battersea should be excluded

Response to issue: JLL viability evidence suggest that this area is now part of central London which can be supported by office rental values and residential sales values that are comparable to other central London locations within the CAZ.

Residential values are comparable to other central London submarkets. Vauxhall, Nine Elms and Battersea are located in the Central South submarket where current average prices are in the order of £1,350 per sq ft for new build developments.

Figure 2: Central London residential average prices per sq ft (new build). June 2018.

Vauxhall, Nine Elms and Battersea is covered by the SW8 postcode area, where current average pricing is in the range of £1,150 to £1,300 per sq ft. This is similar to other central London locations including Westminster (W2) and Earls Court (SW5).

Similarly, office rental values are at comparable levels to other central London office submarkets. We have compiled prime rents from London's leading property agent's market reports to compare rental tone in Vauxhall, Nine Elms and Battersea to competing central London office submarkets below:

Table 4: Vauxhall, Nine Elms and Battersea compared with other central London office submarkets
(Headline Prime Office Rents £/per sq ft)

Central London Office Submarkets	JLL - Jan 2018	Cushman & Wakefield - Q3 2017	GVA - Q3 2017	Savills - September 2017	CBRE - February 2018
Vauxhall, Nine Elms, Battersea	-	-	£57.50	£50-55	-
Battersea	£52.50	-	£60.00	-	-
Battersea/Nine Elms	-	-	-	-	£50-£57.50
Vauxhall	£52.50	-	-	-	-
Waterloo	£65.50	-	£65.00	£55-£65	-
Camden	£53.00	£40.00	£55.00	-	-
Paddington	£67.50	£67.50	£70.00	£65-£75	£70
Marylebone	£72.50	£75.00	£80.00	-	-
Euston	£72.50	-	£75.00	-	-
N Oxford St	-	-	-	-	£85
East/Euston/Belgravia	-	-	-	-	£85
Victoria	£77.50	£77.50	£77.50	£70-£80	£77.50-£82.50
King's Cross	£80.00	£77.50	£80.00	£70-£80	-
Bloomsbury	£80.00	-	£75.00	£70-£80	£75-£85
Belgravia & Knightsbridge	£82.50	£87.50	£90.00	£80-£90	-
Knightsbridge	-	-	-	-	£105-£110
Fitzrovia	£85.00	-	£77.50	£80-90	-
North of Oxford Street	£87.50	£92.50	-	£80-£90	-
North Oxford Street West	-	-	-	-	£87.50
Mayfair	£110.00	£112.50	£125.00	£105-£120	£105
St James's	£110.00	£112.50	£105.00	£100-£110	£105

Central London Office Submarkets	JLL - Jan 2018	Cushman & Wakefield - Q3 2017	GVA - Q3 2017	Savills – September 2017	CBRE – February 2018
Soho	£90.00	£87.50	£90.00	£85-£95	£82.50-£87.50
Westminster (office market)				£60-£70	-
Canary Wharf	£47.50	£42.50	£40.00	£45-£50	-
Docklands	-	-	-	-	£45-£50
Elephant & Castle	-	-	-	-	£42.50-£45
Canada Water	-	-	-	-	£42.50-£45
Aldgate	£60.00	£55.00	£57.50	-	-
Covent Garden	£80.00	£87.50	£85.00	-	-
Covent Garden/Strand	-	-	-	-	£75-85
City (Eastern) / EC3	£67.50	-	£65.00	-	-
Southbank	£67.50	£65.00	-	£55-£65	£60-£65
City (Southern)	£67.50	-	-	-	-
City (Central)	£70.00	£67.50	£70.00	£65-£75	-
City (Western)	£67.50	£67.50	-	-	-
City (Core)	-	-	-	-	£68.50-£72.50
City (Outer)	-	-	-	-	£67.50-£72.50
Hammersmith	£55.00	£57.50	£50.00	£50-£55	£52.50-£57.50
Kensington & Chelsea	£70.00	£60.00	£60.00	£60-£70	-
White City	-	£50.00	£52.50	£40-£50	£45-£50
Clerkenwell/Shoreditch	-	£65.00	£67.50	-	-
London Bridge	-	-	£62.50	-	-
City (Northern)	£67.50	-	£65.00	-	-
City Fringe	-	-	-	£58-£68	-
Midtown	£67.50	£65.00	£65-£67.50	£60-£70	£67.50-£72.50

Response to issue: Since the viability work for MCIL1 was undertaken, office rental values have increased circa 90% from c.£27.50 per sq.ft to £52.50+ per sq.ft as at Q4 2017, demonstrating fundamental viability improvement over time.

JLL tracks prime rents across London office submarkets. The table below shows annual rental growth between Q4 2009 and Q4 2017 and CPI and BCIS indices.

Table 5: JLL prime rents London office submarkets £ per sq ft

Year		Battersea	Vauxhall	Waterloo	City	Southbank	Canary Wharf	West End
2009	Q4	£27.50	£27.50	£37.50	£45.00	£45.00	£37.50	£77.50
2010	Q4	£27.50	£27.50	£37.50	£55.00	£47.50	£37.50	£88.50
2011	Q4	£27.50	£27.50	£37.50	£55.00	£47.50	£38.50	£95.00
2012	Q4	£27.50	£32.50	£40.00	£57.00	£47.50	£38.50	£95.00
2013	Q4	£35.00	£32.50	£42.50	£60.00	£52.50	£38.50	£105.00
2014	Q4	£35.00	£42.50	£52.50	£62.50	£57.50	£40.00	£115.00
2015	Q4	£47.50	£50.00	£57.50	£70.00	£62.50	£45.00	£120.00
2016	Q4	£50.00	£50.00	£57.50	£70.00	£62.50	£47.50	£110.00
2017	Q4	£52.50	£52.50	£60.00	£70.00	£67.50	£47.50	£110.00
Percentage Change		91%	91%	60%	56%	50%	27%	42%

- Table 5 (above) shows that rents in Battersea and Vauxhall grew in the order of 91% since the Crossrail S106 was viability tested in 2009.

- Growth in Vauxhall and Battersea have significantly outstripped growth in other established central London office markets i.e. the City, Canary Wharf and West End and inflation and building cost indices over the same period.

Response to issue: Developers are heavily promoting Northern Line Extension, placing it within the same travel zone as other established central London locations.

Since the report of the Panel in connection with the Crossrail S106 policy the Northern Line Extension has been approved and is now being built. Developers are promoting the Northern Line Extension at Nine Elms and Battersea, placing it in the same travel zone as other established Zone 1 locations:

- **Battersea Power Station:** 'In 2020, Battersea Power Station will have its own Zone 1 Underground station.' See <https://batterseapowerstation.co.uk/getting-here/the-tube> last accessed 06/06/2018.
- **Barratt Homes:** 'Nine Elms Point is a development in Zone 1, located in the heart of London's most exciting new district.' See: <https://www.barratthomes.co.uk/new-homes/greater-london/h644801-nine-elms-point/> last accessed 06/06/2018.
- **Mount Anvil:** 'In total, Keybridge offers 595 new homes across six individual buildings, providing luxurious living in the heart of Vauxhall London. Located in Zone 1, just a 6-minute walk from Vauxhall station.' See <https://www.mountainvil.com/our-london-homes/keybridge/> last accessed 06/06/2018.
- **Ballymore:** 'Embassy Gardens is a design-led riverside district on London's South Bank, a short walk from Vauxhall Station (Zone 1) and Battersea Power Station.' See: <http://www.embassygardens.com/location/> last accessed 06/06/2018.

In addition to residential schemes, the area includes office development at Battersea Power Station, Embassy Gardens and is home to the new American Embassy.

Also see **Section 2** of this report for extracts of central London submarkets as defined by London's major property agents which include Vauxhall, Nine Elms and Battersea as defined central London submarkets.

1.4 Issue 15: Central London charging area incorrect – Waterloo should be excluded

Response to issue: JLL viability evidence suggest that this area is part of central London.

Geographically, Waterloo is located central London. It is recognised by the property market as being an established central London office location with similar characteristics to other recognised and established central London submarkets.

We highlight below the prime headline office rents as reported by JLL and other major agents at Waterloo, compared with other central London locations.

Table 6: Waterloo compared with other central London office submarkets (Headline Prime Office Rents £/per sq ft)

Central London Office Submarkets	JLL - Jan 2018	Cushman & Wakefield - Q3 2017	GVA - Q3 2017	Savills – September 2017	CBRE – February 2018
Waterloo	£65.50	-	£65.00	£55-£65	-
Camden	£53.00	£40.00	£55.00	-	-
Paddington	£67.50	£67.50	£70.00	£65-£75	£70
Marylebone	£72.50	£75.00	£80.00	-	-
Euston	£72.50	-	£75.00	-	-

Central London Office Submarkets	JLL - Jan 2018	Cushman & Wakefield - Q3 2017	GVA - Q3 2017	Savills – September 2017	CBRE – February 2018
N Oxford St	-	-	-	-	£85
East/Euston/Belgravia	-	-	-	-	£77.50-£82.50
Victoria	£77.50	£77.50	£77.50	£70-£80	£77.50-£82.50
King's Cross	£80.00	£77.50	£80.00	£70-£80	-
Bloomsbury	£80.00	-	£75.00	£70-£80	£75-£85
Belgravia & Knightsbridge	£82.50	£87.50	£90.00	£80-£90	-
Knightsbridge	-	-	-	-	£105-£110
Fitzrovia	£85.00	-	£77.50	£80-90	-
North of Oxford Street	£87.50	£92.50	-	£80-£90	-
North Oxford Street West	-	-	-	-	£87.50
Mayfair	£110.00	£112.50	£125.00	£105-£120	£105
St James's	£110.00	£112.50	£105.00	£100-£110	£105
Soho	£90.00	£87.50	£90.00	£85-£95	£82.50-£87.50
Westminster (office market)	-	-	-	£60-£70	-
Canary Wharf	£47.50	£42.50	£40.00	£45-£50	-
Docklands	-	-	-	-	£45-£50
Elephant & Castle	-	-	-	-	£42.50-£45
Canada Water	-	-	-	-	£42.50-£45
Aldgate	£60.00	£55.00	£57.50	-	-
Covent Garden	£80.00	£87.50	£85.00	-	-
Covent Garden/Strand	-	-	-	-	£75-85
City (Eastern) / EC3	£67.50	-	£65.00	-	-
Southbank	£67.50	£65.00	-	£55-£65	£60-£65
City (Southern)	£67.50	-	-	-	-
City (Central)	£70.00	£67.50	£70.00	£65-£75	-
City (Western)	£67.50	£67.50	-	-	-
City (Core)	-	-	-	-	£68.50-£72.50
City (Outer)	-	-	-	-	£67.50-£72.50
Hammersmith	£55.00	£57.50	£50.00	£50-£55	£52.50-£57.50
Kensington & Chelsea	£70.00	£60.00	£60.00	£60-£70	-
White City	-	£50.00	£52.50	£40-£50	£45-£50
Clerkenwell/Shoreditch	-	£65.00	£67.50	-	-
London Bridge	-	-	£62.50	-	-
City (Northern)	£67.50	-	£65.00	-	-
City Fringe	-	-	-	£58-£68	-
Midtown	£67.50	£65.00	£65-£67.50	£60-£70	£67.50-£72.50
Vauxhall, Nine Elms, Battersea	-	-	£57.50	£50-55	-
Battersea	£52.50	-	£60.00	-	-
Battersea/Nine Elms	-	-	-	-	£50-£57.50
Vauxhall	£52.50	-	-	-	-

The Waterloo prime rent at £65.00 per sq ft is in excess of other central London locations, notably, Canary Wharf and Aldgate at £47.50 and £60.00 per sq ft respectively, where Crossrail S106 contributions and MCIL1 have been levied.

Also see **Section 2** of this report for extracts of central London submarkets as defined by London's major property agents which includes Waterloo as defined central London submarket or within the definition of the Southbank.

1.5 Issue 27: Impact of moving from S106 regime (500 sq m threshold) to MCIL regime (100 sq m threshold)

Response to issue: Based on JLL analysis, the net increase in floor area of schemes with a net increase of between 100sqm and 500 sqm is modest, particularly in terms of MCIL collected as a whole across the City of Westminster.

JLL has analysed MCIL receipt data for the City of Westminster for 2017. The data shows 99 MCIL paying developments totalling circa 592,145 sq m of net additional development. Of those schemes that had a net increase in floor area of between 100 and 500 sq m, totalled circa 7,463 sq m, or 1.26% of the total.

Response to issue: JLL estimate that in the year 2017-18, Westminster contributed £16.2m in MCIL receipts and properties with a net increase of between 100sqm and 500 sqm contributed 2.6% of this.

The MCIL receipt data for the City of Westminster for 2017 shows total receipts in the order of £16.234m. Of this figure, the developments between 100 and 500 sq m contributed circa £428k, equating to circa 2.64% of the total.

Response to issue: A number of these will have been residential and therefore not subject to extant S106 policy, so in reality the percentage will have been even smaller.

It is not possible to ascertain which of the 35 CIL paying developments in Westminster in 2017 with a net increase in floor area between 100 and 500 sq m were residential or commercial uses based on the MCIL receipt collection data. However, it is reasonable to assume that a proportion of these developments were residential and not subject to the extant S106 policy.

Response to issue: A percentage of 2.6% of which only part is likely to be commercial and where in any event it is JLL's opinion there is no likely correlation between the quantum of net increase and viability, is unlikely to have a significant impact.

Both residential and commercial uses in high value boroughs such as Westminster have strong underlying development fundamentals. In the vast majority of cases it is the existing floor space being replaced and upgraded that contributes to development viability as well as any additional floor space. A small percentage increase in net area does not necessarily indicate a small scheme and a small scheme is not necessarily a signal of poor viability. Given that 2.6% of total MCIL revenue or 1.26% by floor area in Westminster falls within this the 100 to 500 sq m net increase category, the impact on overall viability and development delivery is likely to be inconsequential.

2 Boundary changes: Vauxhall, Nine, Elms, Battersea, Waterloo and Elephant & Castle

The MCIL2 proposed boundary changes to include Battersea, Vauxhall and Nine Elms (VNEB) within the proposed Central London charging area is based on the market view that VNEB forms part of Central London and is now seen as a commercial office location. London's major office agents include Vauxhall, Nine Elms, Battersea and Waterloo on their Central London office rental maps, published in their Central London office market commentary. Waterloo is its own submarket according to JLL and GVA, but included within the Southbank submarket by Cushman & Wakefield, Knight Frank and CBRE. Elephant & Castle is included within the Southbank by Cushman & Wakefield, Knight Frank and CBRE.

We include extracts of the maps from JLL, Cushman & Wakefield, GVA, Knight Frank, Savills and CBRE below:

Figure 3: JLL Central London office markets – January 2018

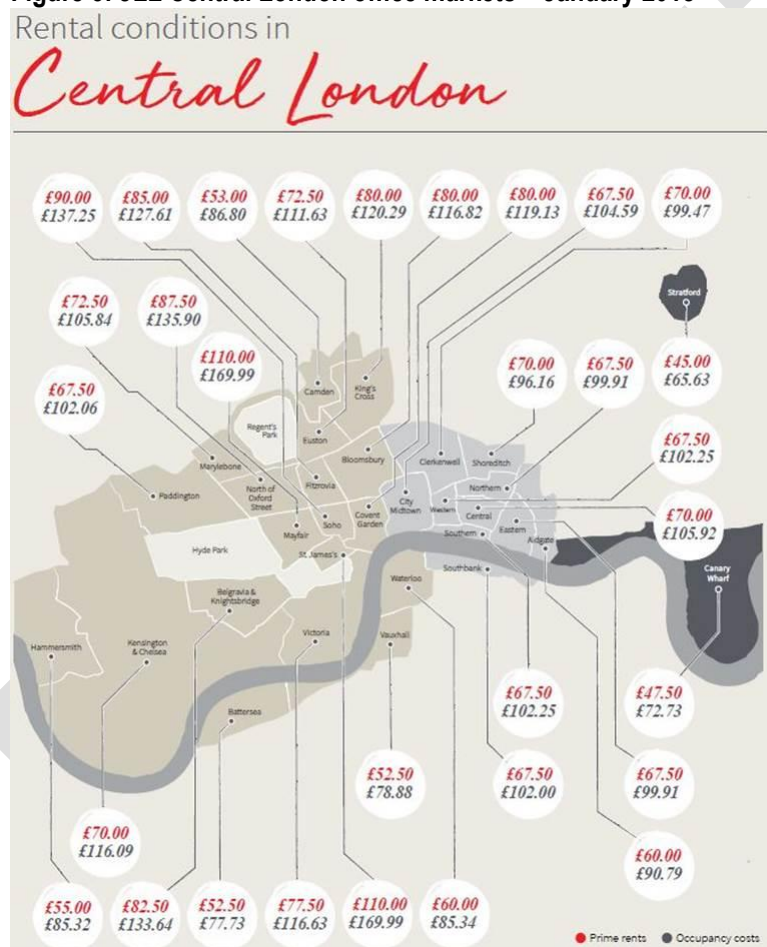


Figure 4: Cushman & Wakefield Central London office markets – Q3 2017



Figure 5: GVA Central London office markets – Q3 2017

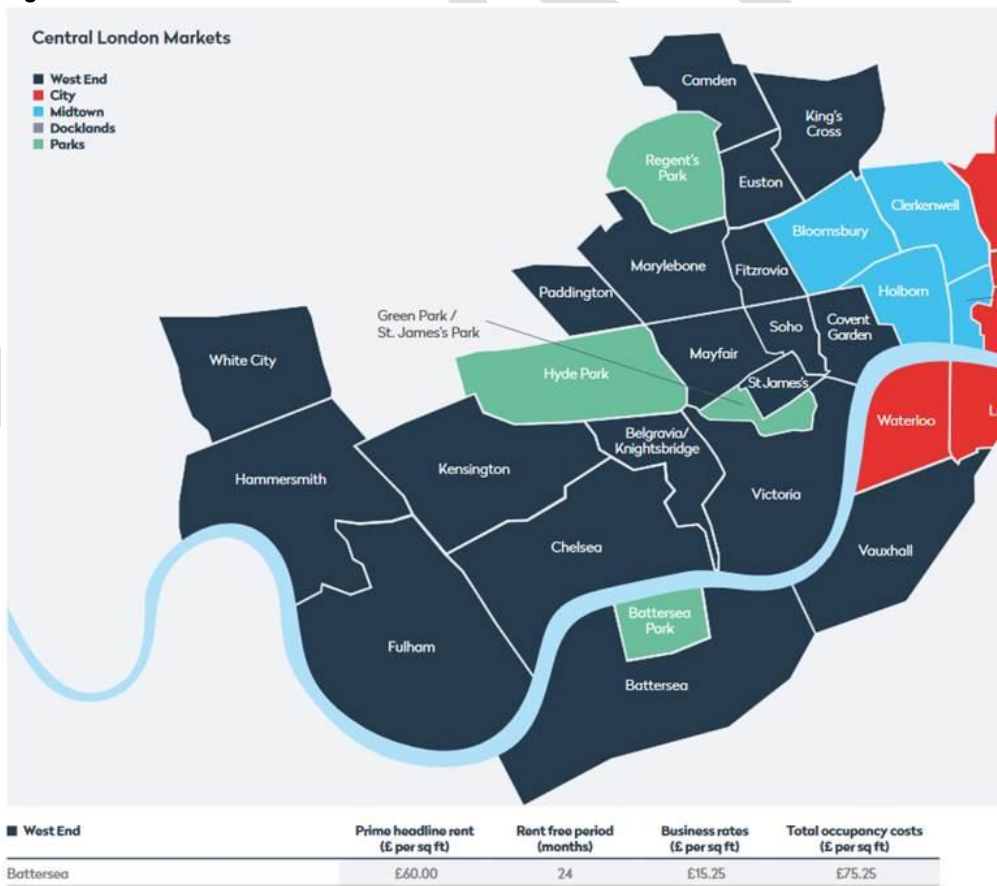


Figure 6: Knight Frank Central London Office Markets – Q3 2017

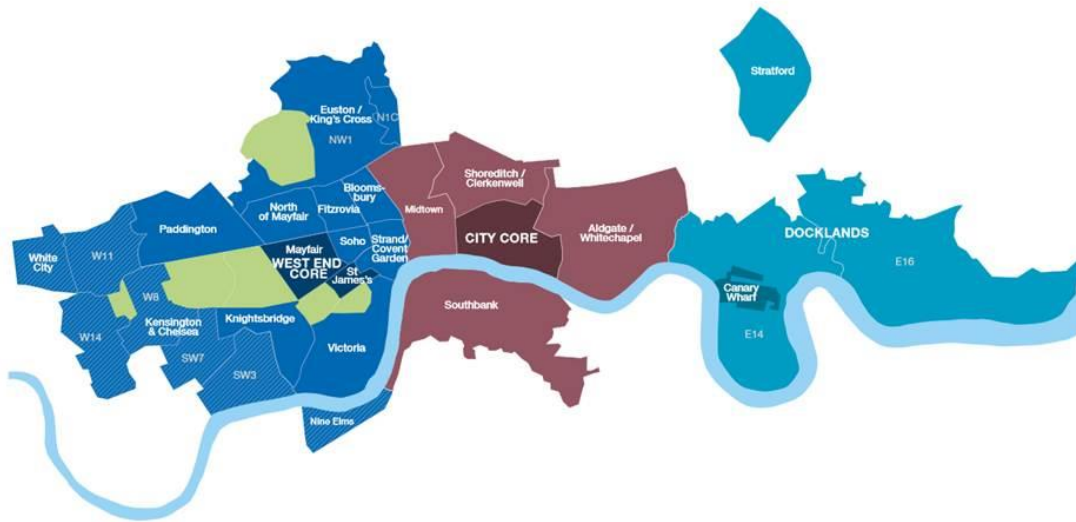


Figure 7: Savills Central London Office Rental Tone Map – Q3 2017

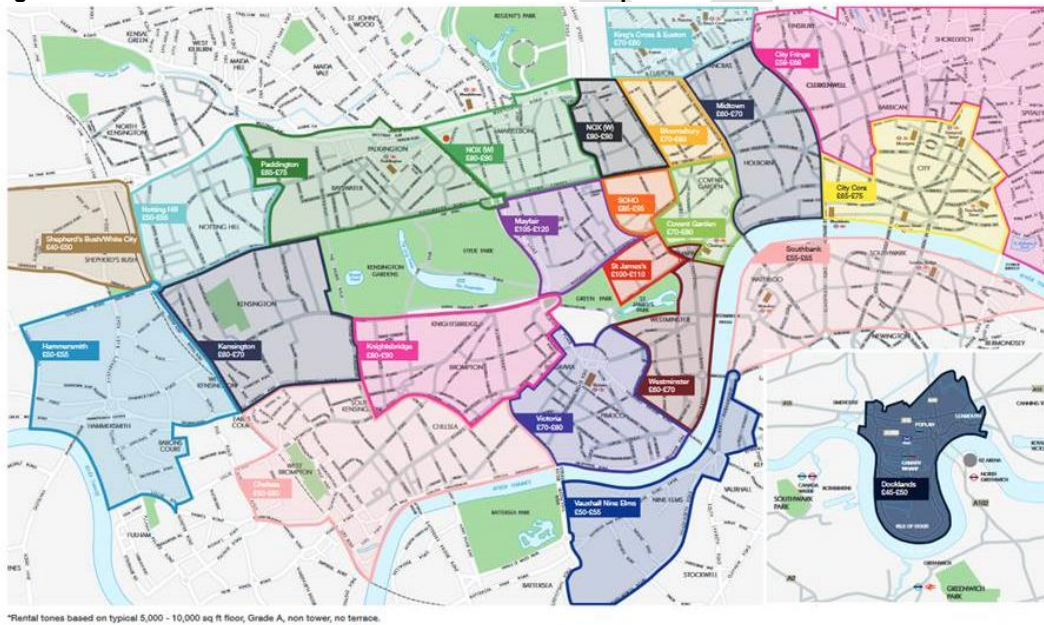
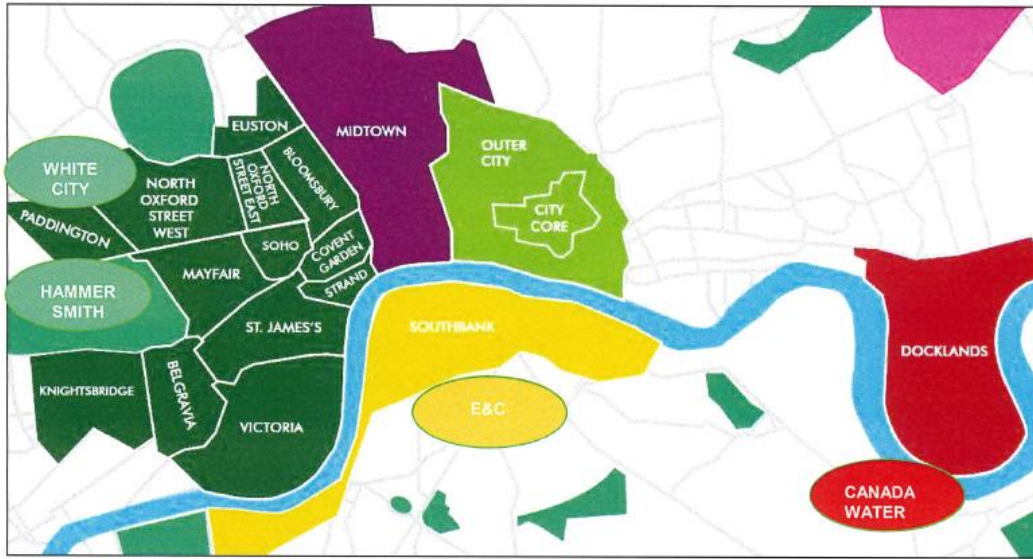


Figure 8: CBRE London ERV Map 02/02/18 (as part of DP9 submissions on behalf of Lendlease)





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