

DRAFT

THE MALL, WALTHAMSTOW
COMMUNITY INFRASTRUCTURE LEVY CALCULATION (CIL)
CONFIDENTIAL AND INTERNAL ADVICE NOTE ONLY

SUMMARY

Depending on all the assumptions set out below we think that the scheme will broadly attract a CIL requirement of £4,637,520.40.

Mayoral CIL	£1,180,777.2
LBWF CIL	£3,456,743.2
Total	£4,637,520.4

Please note that the full amount of CIL will be shown on the initial Liability Notice when planning permission is granted. Relief will then be granted in response to an application for relief made to the Council (and granted) on the appropriate form prior to the commencement and a new liability notice issued.

Assumptions

This CIL figure is dependent on a number of assumptions at this stage before the application is submitted and confirmation from the London Borough of Waltham Forest's CIL officer as to their approach.

The methodology of how to discount the existing floorspace, social housing relief and social housing communal relief if applied will require clarification. Assumptions made also include discounting the areas of plant room and serviced areas from both the existing and proposed floorspace calculations. This is a topic which will need to be discussed with the CIL officer once the application is submitted.

Other factors, such as indexation, have been applied on a hypothetical and forecast basis only, as we do not have access to the most up to date BCIS data.

BACKGROUND

For developments in London there are two CIL charging schedules as follows:

- Mayoral CIL charging schedule 2012
- LBWF CIL charging schedule 2014

Mayoral CIL

The Mayor's Community Infrastructure Levy (MCIL) aims to raise up to £600 million to help finance the Crossrail project. It intends to achieve this by seeking contributions from developers for additional floorspace they create across London. LBWF is located in Zone 3 of the MCIL where the charging rate is £20 per sqm index linked.

LBWF CIL

The London Borough of Waltham Forest adopted CIL in March 2014. Set out below is the draft charging schedule for land uses. The charge is subject to indexation. For the purposes of CIL, Capital & Regional (C&R)'s site lies within Zone B.

Type of Development	Zone A (North of North Circular)	Zone B (South of North Circular)
All residential development, including private care/retirement homes	£65	£70
Publicly funded care homes	Nil	Nil
Convenience based supermarkets/superstores ¹ and retail warehousing ²	£150	
Hot food takeaways and restaurants	£80	
Betting shops	£90	
Hotels	£20	
All other uses	Nil	

¹Superstores/supermarkets are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.

²Retail warehousing are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY and other ranges of goods, catering for a significant proportion of car-borne customers.

CIL INDEXATION

To calculate the CIL liability for a development, Regulation 40 of the CIL Regulations 2010 (as amended) requires collecting authorities to apply an index of inflation to keep the levy responsive to market conditions CIL payments are index linked from the year when CIL is introduced to the year when planning permission is granted. The index is known as the national All-in Tender Price Index which is published by the Build Cost Information Service (BCIS). Therefore the figure can vary to the published figure provided within the published charging schedules, although the sum payable does not fall below the adoption rate figures set out. It is also important to note that the All-in Tender Price Index figure fluctuates and is published quarterly.

	Mayoral CIL rate @ Nov 2012 (per sqm)	Mayoral CIL rate @ Q1 2019 (forecast*) (per sqm)	Mayoral CIL rate @ Q3 2020 (forecast*) (per sqm)	LBWF CIL rate @ Nov 2013 (per sqm)	LBWF CIL rate @ Q1 2019 (forecast*) (per sqm)	LBWF CIL rate @ Q3 2020 (forecast*) (per sqm)
BCIS All-in TPA	223	310	336	239	310	336
Use						
Supermarket	£20	£27.8	£30.1	£150	£194.6	£210.9
Hot food takeaway and restaurants	£20	£27.8	£30.1	£80	£103.8	£112.5
Other retail (inc. car park floorspace)	£20	£27.8	£30.1	£0	£0	£0
Residential	£20	£27.8	£30.1	£70	£90.8	£98.4

*Please note that these calculations are based on BCIS data from 29th April 2016. We do not have access to up to

date BCIS data. As such, they should only be used as a guide as the BCIS data may have changed significantly.

CHARGEABLE DEVELOPMENT

The amount of CIL C&R is liable to pay (the chargeable amount) depends on the size, type and proposed use(s) of the final development. CIL is levied as a charge per sq. m of net additional internal floor space created by the development. The Formula for calculating the chargeable amount of CIL.

The amount of CIL chargeable at a given relevant rate has to be calculated by applying the following formula from Regulation 40 of the CIL Regulations:

$$(R \times A \times Ip) / Ic = \text{Chargeable Amount}$$

R = relevant CIL rate

A = chargeable area

Ip = index figure for year in which the planning permission was granted.

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

All measurements were provided by ESA/Collado Collins on 8th December 2016 and 9th February 2017 and are as below:

- Existing Floorspace GIA = 15,472 sq. m (excludes plant/servicing)
- Total residential floorspace GIA= 36,925 sq. m (this includes the basement parking and cycle storage 924 sqm)
- Total supermarket floorspace GIA = 1,090 sq. m
- Total hot food takeaway and restaurants floorspace GIA = 1,828 sq. m
- Other retail (inc. car park floorspace) GIA = 19,555 sqm (assumes car park is 6,565-924 = 5,641sqm)
- Overall total floorspace GIA = 74,870 sq. m

EXISTING FLOORSPACE

The gross internal floor space of any existing buildings on the site that are going to be demolished or reused may be deducted from the calculation of the CIL liability.

However, these deductions in respect of demolition or change of use will only apply where the existing building (or part of it) has been in continuous lawful use for at least six months in the three years prior to the issuing of the planning permission for the development. [Please note that the plant room/servicing areas have been discounted from both the existing and proposed floorspace].

This means the area of development chargeable to CIL may be reduced by the gross internal area of the existing building, the demolished amount is apportioned across the whole development. Importantly, how this floorspace amount is taken off the CIL charge is not set out by LBWF. The regulations set out the formula below in order to calculate what proportion of the development is new, and to fairly apportion any demolition of buildings on the site amongst all the elements of the new development.

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

GR= the gross internal floor area of the part of the development which is being calculated i.e. all the floorspace

of one type of use within the development.

KR = the gross internal floor area of buildings that are already in use on the site and that will be re-used as part of the new development.

G= the gross internal floor area of the whole chargeable development.

E= the total gross internal floor area of all buildings which are to be demolished.

	Supermarket	Hot food takeaway	Other retail (inc. car park floorspace)	Market Housing – Phase 1	Market Housing – Phase 2	TOTAL
GR = proposed floorspace (GIA sqm)	1,090	1,828	19,555	2,856	34,069*	59,398
KR = existing floorspace to be reused (GIA sqm)	0	0	12,474	0	606* (car park)	13,080
G = total proposed floorspace of the development (GIA sqm)	46,318					
E = floorspace to be demolished (GIA sqm)	2,998					
Proposed New Floorspace (GIA sqm)	1,020	1,710	5,815	2,671	31,258	n/a

*Assumes all residential car parking ("existing" and proposed relates to Phase 2 only). "Existing" residential car parking is the existing car park area to be reused for non-retail use.

SOCIAL HOUSING RELIEF

CIL allows for a reduction/discount subject to satisfying the criteria set within the regulations this includes obtaining Social Housing Relief for the units being provided. In addition, CIL allows for relief of relevant communal development accessibly to the affordable housing units such as the cycle storage and basement parking.

Social housing relief is not applied automatically. Instead, a claim for relief must be submitted to the Council by the claimant. To claim for social housing relief, the claimant must have assumed liability to pay CIL and be an owner of the relevant land.

Claims must be submitted to the Council using the relevant form (known as Form 2) and granted by the Council before commencement of the chargeable development. The claim must be accompanied with a map that clearly identifies the location of the dwellings to which social housing relief will apply. Accompanying information should

also provide the gross internal area of the social housing dwellings, and a calculation of the amount of social housing relief being claimed.

However, just as the demolished floor area reduces the total CIL liability, it also produces a pro rata reduction in the amount of Social Housing Relief. Social Housing Relief (including communal areas) is not applicable in this instance.

CONCLUSION

Using the formula set out in Regulation 40(5) and Regulation 50 of the CIL Regulations 2010 (as amended), the CIL chargeable amount has been calculated as follows:

Phase 1 - Low rise development CIL Liability @ Q1 2019

Commercial CIL Liability

Total commercial chargeable development = 8,545 sqm (GIA)

	Chargeable floorspace	Rate @ Q1 2019	CIL Liability
Mayoral	8,545	£27.8	£237,551
LBWF Supermarket	1,020	£194.6	£198,492
LBWF Hot food takeaway & restaurant	1,710	£103.8	£177,498
LBWF Other retail (inc car park)	5,815	0	0

Total Commercial CIL liability = £613,541

Residential CIL Liability (Low Rise only @ Q1 2019)

Total residential chargeable development = 2,671 sqm (GIA)

Mayoral 2,671 sqm x £27.8 = £74,253.8

LBWF 2,671 sqm x £90.8 = £242,526.8

Total Residential CIL liability (Low Rise only) = £316,780.6

Phase 2 - Residential CIL Liability @ Q3 2020

Total residential chargeable development = 31,258 sqm (GIA)

Mayoral 31,258 sqm x £27.8 = £868,972.4

LBWF 31,258 sqm x £90.8 = £2,838,226.4

Total Residential CIL liability = £3,707,198.8

OVERVIEW**PHASE 1**

MAYORAL CIL LIABILITY = £311,804.8 (£237,551 + £74,253.8)

LBWF CIL LIABILITY = £618,516.8 (£198,492 + £177,498 + £242,526.8)

PHASE 1 TOTAL CIL LIABILITY = £930,321.6 @ Q1 2019

PHASE 2

MAYORAL CIL LIABILITY = £868,972.4

LBWF CIL LIABILITY = £2,838,226.4

PHASE 2 TOTAL CIL LIABILITY = £3,707,198.8 @ Q3 2020

OVERALL DEVELOPMENT

TOTAL MAYORAL = £1,180,777.2

TOTAL LBWF = £3,456,743.2

OVERALL TOTAL = £4,637,520.4