

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2248

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

Executive Summary:

This MD seeks agreement for TfL to pay £59,414 for officer support during 2017/18 on implementing the Mayor's Community Infrastructure Levy (MCIL). There are no direct costs to the Mayor arising from this recommendation – TfL can recover these costs from the administrative charge which it is allowed to apply from MCIL monies collected by the boroughs and the Mayoral Development Corporations on the Mayor's behalf.

Decision:

That the Mayor:

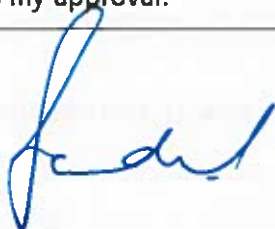
1. Agrees to Transport for London's transfer of £59,414 income to the Greater London Authority (from the administrative charge TfL is allowed to take from Mayor's Community Infrastructure Levy (MCIL) monies) and the GLA's use to fund the support the GLA give TfL in connection with MCIL.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

10/3/17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 Under the Community Infrastructure Levy (CIL) Regulations (2010) (as amended) the Mayor is entitled to impose CIL charges on development across Greater London. The regulations (59 (2)) restrict the Mayor to funding roads or other transport facilities including Crossrail (the Elizabeth Line). The current Mayors Community Infrastructure Levy (MCIL) is used to contribute to the funding of Crossrail (the Elizabeth Line). Officers are currently working on amending MCIL rates to contribute towards the funding of Crossrail 2.
- 1.2 Implementing a new charging schedule, which sets out the rates the Mayor can charge on development, requires two rounds of public consultation and an examination in public led by an independent examiner. It requires attendance at consultation events, meetings with boroughs and developers and regular meetings with the borough MCIL collection officers to ensure the MCIL is collected efficiently. It also requires dealing with ad hoc CIL enquiries. Officers from the GLA London Plan Team support TfL colleagues in this work but this diverts them from other activity.
- 1.3 Under the CIL Regulations, TfL are entitled to take a fee of up to 1% of total MCIL revenues to cover their administrative expenses. MCIL is currently raising more than £100m per annum, and TfL has been applying around half of the allowable 1% in recent years. GLA officers have estimated the amount of time they spend on MCIL and believe a figure of £60,000 p.a. is a realistic sum for the amount of time GLA dedicate to MCIL. This represents 10% of the total administrative expenses TfL will claim for 2017/18.
- 1.4 The 35 CIL authorities across London act as collecting authorities for Mayoral CIL and can each apply up to 4% in respect of their administrative costs. During the last financial year (2016/17) the sum retained collectively by the 35 authorities in respect of Mayoral CIL collection was £6 million.
- 1.5 On the 12th December 2017, the Mayor signed MD2199 to undertake the second round of public consultation on the proposed MCIL2 to contribute towards funding Crossrail 2. The MD highlighted in paragraph 5.1 that the GLA's costs of working on MCIL could be covered from the administrative fee TfL is able to claim from MCIL receipts.

2. Objectives and expected outcomes

- 2.1 As this MD seeks the Mayor's approval of an intra-group financial transfer for an existing project, there are no new objectives or expected outcomes.

3. Equality comments

- 3.1 As this MD is seeking a financial transfer for an existing project, this does not raise any new equalities issues.

4. Other considerations

Links to Mayoral strategies and priorities

- 4.1 As this MD is seeking a financial transfer for an existing project, delivery of Crossrail 2, there are no new links to other Mayoral strategies or priorities.

Impact assessment

- 4.2 As this MD is seeking a financial transfer for an existing project, there are no new impacts to assess.

Key risks

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

5. Financial comments

- 5.1 Mayoral approval is requested for TfL's transfer of £59,414 (revenue funding) to the GLA from the administrative charge TfL is allowed to take from collected CIL monies. The GLA propose to use this to fund the support the GLA Planning team give TfL on the Mayoral CIL.
- 5.2 The transfer of the £59k identified above is in respect of 2017/18 activity undertaken by the GLA. TfL has confirmed that revenue funding is available from the administration charge allowed under the CIL regulations. Currently MCIL is raising more than £100 million per annum, so the £60,000 transfer represents a small proportion of the 1% administrative costs that can be applied.
- 5.3 This income from TfL will be placed into Planning Smoothing Reserve and will be used to fund the Planning team's costs towards work on MCIL as and when required.

6. Legal comments

- 6.1 Transfers of funding between TfL and the GLA are governed by ss.121 (revenue) of the GLA Act 1999. Those sections provide that transfers from a functional body (such as TfL) to the GLA require mayoral approval and the only limitation that may be placed upon the use of such transferred funds is that revenue funding may be used only for revenue expenditure.

7. Planned delivery approach and next steps

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

Appendices and supporting papers

Annex • MD 2199 MCIL2 DCS

Public access to information

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

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

Part 1 Deferral:

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

If YES, for what reason:

Until what date:

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Peter Heath has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Fiona Fletcher-Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Jules Pipe has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 12 March 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

12.03.18

TOM MIDDLETON ON BEHALF OF MARTIN CLARKE

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature



Date

12/3/2018