



COMMUNITY INFRASTRUCTURE LEVY (CIL) DRAFT CHARGING SCHEDULE

March 2013

1. The Charging Authority

- 1.1 The London Borough of Tower Hamlets is a Charging Authority for the purposes of Part 11 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy (CIL) in respect of development in Tower Hamlets.

2. Date of Approval

- 2.1 This Charging Schedule was approved by the Council on (date to be inserted following examination and Council approval).

3. Date of Effect

- 3.1 This Charging Schedule will come into effect on (date to be inserted following the examination and Council approval).

4. Liability to Pay CIL

- 4.1 A chargeable development is one for which planning permission is granted and or which is liable to pay CIL in accordance with the CIL Regulations as currently drafted.

- 4.2 CIL will be chargeable on most new development, which: -

- Involves a building¹ into which people usually go (but excluding buildings to which people do not usually, or go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery building(s); and
- Involves floorspace that is not exempted under the Act, the Regulations or for a locally defined reason to be set out in the Appendix 2 of this document; and
- Involves new build² of at least 100m² gross internal area (GIA) floorspace; or
- Involves new build of less than 100m² GIA floorspace but the creation of one or more dwellings; or
- Involves change of use to residential where floorspace has not been in use for 6 months of the previous 12 on the day planning permission first permits the development³; or
- Includes development permitted by a 'general consent'⁴ (including permitted development) commenced on or after 6th April 2013; or

¹ The definition of a 'building' is given by section 336(1) of TCPA 1990. Building 'includes any structure or erection, and any part of a building, as so defined, but does not include plant or machinery comprised in a building.'

² The definition of 'new build' is given by Amended CIL Regulations 2011. "New build' means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings."

³ "Planning permission first permits development" is defined in regulation 8 of the CIL regulations 2010 (as amended).

⁴ "General consent" is defined in the regulation 5 of the CIL regulations 2010 (as amended).

- Includes development that received a planning permission replacing extant and unimplemented permissions granted before 1st October 2010.

5. Rates of CIL

- 5.1 The Council intends to charge differential rates of CIL, which are to be determined by the land use of a proposed development (expressed as pounds per square metre) and by the area where a proposed development is situated, as set out in the table 1 below.
- 5.2 Please be aware that the rates set out in the table below are exclusive of the London Mayoral CIL applicable to Tower Hamlets, which is currently £35 per sq. m.
- 5.3 In establishing the rates, set out in the table below, a policy compliant affordable housing provision of 35% was assumed.

Table 1: Rates

Development type	Proposed CIL rate per sq. m (GIA) of development		
Residential	Zone 1	Zone 2	Zone 3
	£200	£65	£35
Student Housing	£425		
Hotel	£210		
Offices	City Fringe	North Docklands	Rest of Borough
	£215	£100	£0
Small Retail (280 sq m or less)	Elsewhere in Borough		City Fringe/North Docklands
	Nil		£70
Convenience-based supermarkets, superstores and retail warehousing over 280 sq. m*	£195		
All other uses	Nil		

* The Wycombe District CIL Examination report explicitly noted that “there is nothing in the CIL regulations to prevent differential rates for retail developments of different sizes, provided they are justified by the viability evidence and differing retail characteristics or zones”. For the purposes of this Draft Charging Schedule, the following definitions are applicable: -

Superstores/supermarkets are defined as 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

Retail warehousing is defined as shopping destinations specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering for a significant proportion of car-borne customers.

6. Charging Zones

- 6.1 The charging zones referred to in the above table are demonstrated in the Charging Zones Maps, attached at Appendix 1 of this document.
- 6.2 The areas hatched and indicated as constituting the London Legacy Development Corporation Area in the attached maps do not form part of Tower Hamlets' Charging Authority. This area will be subject to CIL rates as set out by the London Legacy Development Corporation.

7. Calculating the Chargeable Amount

- 7.1 CIL will be calculated on the basis set out in Part 5 of the Community Infrastructure Levy Regulations 2010 (as amended).

8. Inflation and Indexation

- 8.1 The rates referred to in Table 1 above shall be subject to annual indexation in keeping with the "All-in Tender Price Index" published by the Building Cost Information Service (BCIS). The rates should be increased by an amount equivalent to the increase in the index from the date hereof until the date on which the sums are payable provided that in the event that the "All-in Tender Price Index" shall decrease, the sum not fall below the figures set out.

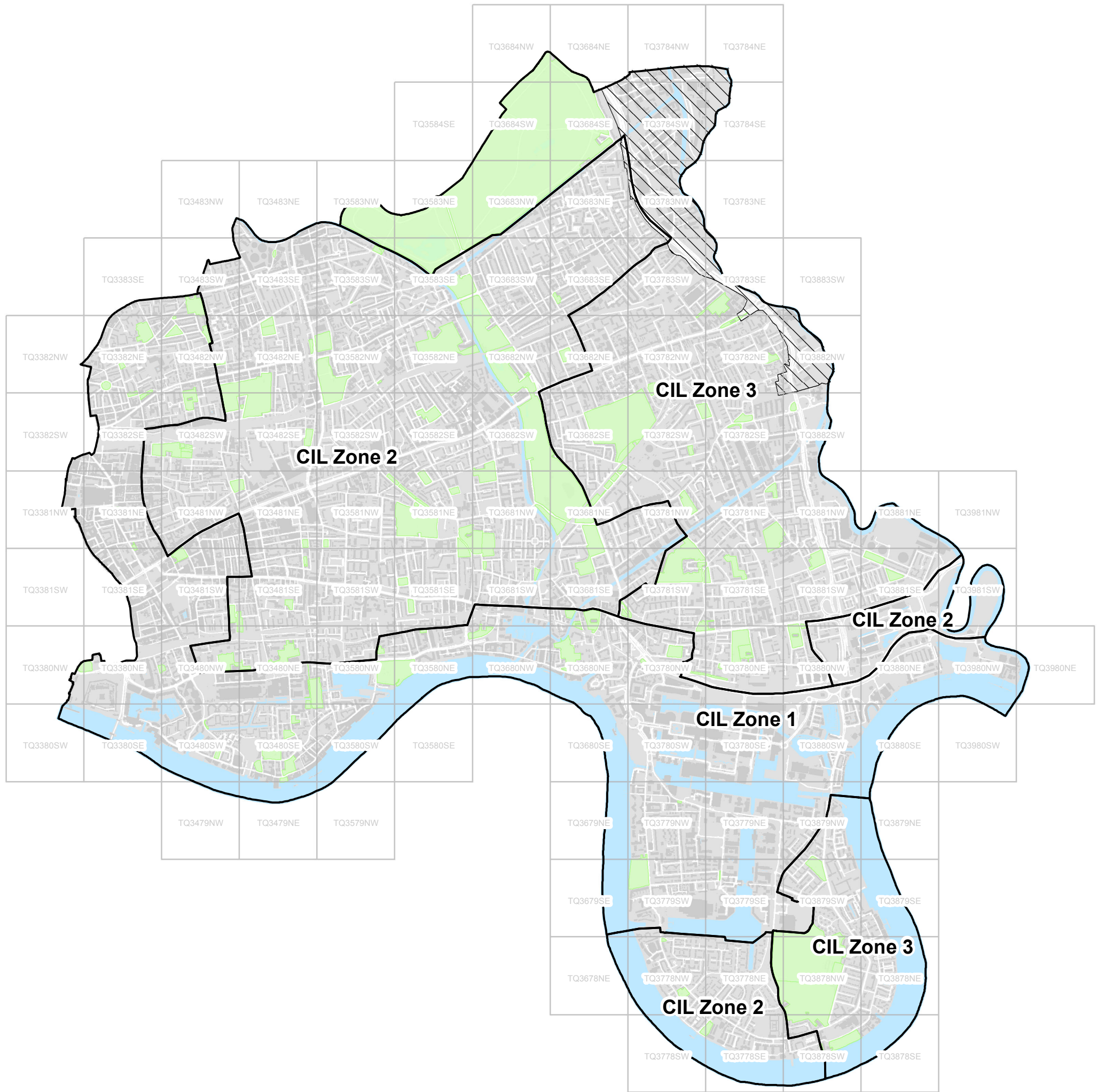
9. Regulation 123 List




- 9.1 The Regulation 123 List is a list of types of infrastructure a Charging Authority intends to spend it's CIL receipts on.
- 9.2 Please see attached, at Appendix 3, Tower Hamlets' draft Regulation 123 list.

10. Further Information

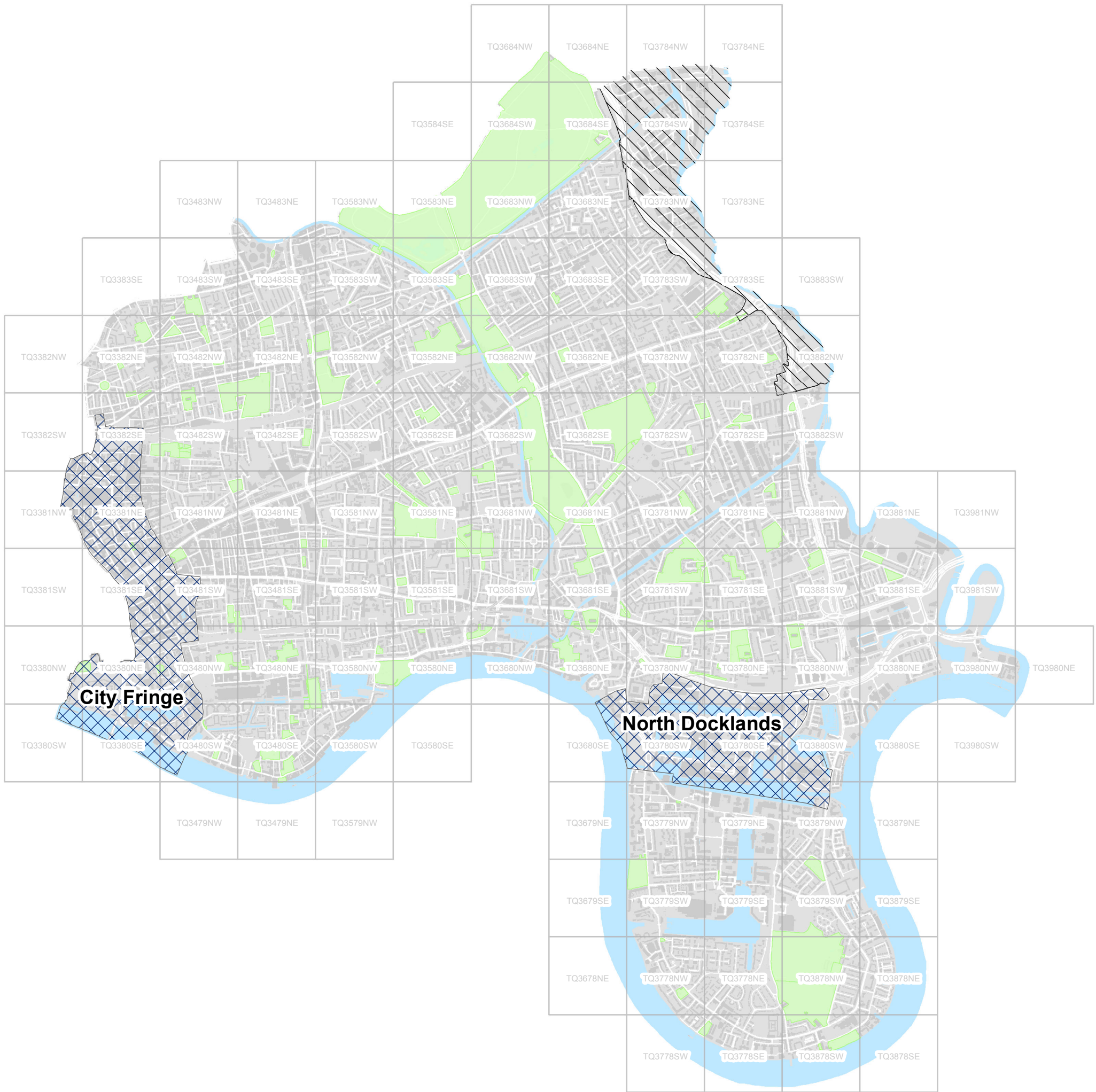
- 10.1 This Draft Charging Schedule has been published in accordance with the Community Infrastructure Levy Regulations 2010 as amended by subsequent the Community Infrastructure Levy Regulations, and Part 11 of the Planning Act 2008.
- 10.2 Further information on the Community Infrastructure Levy is available on the Council's website www.towerhamlets.gov.uk/CIL




Appendix 1: Charging Zone Maps



-  Draft Residential Charging Zone Boundaries
-  Ordnance Survey Grid (*Labels represent grid reference*)
-  London Legacy Development Corporation Area





-  Draft Office & Small Retail Charging Zones
-  Ordnance Survey Grid (*Labels represent grid reference*)
-  London Legacy Development Corporation Area



Appendix 2: Explanatory Notes to the Draft Charging Schedule

1. Please note that this Appendix 2 does not formally constitute part of the Community Infrastructure Levy Draft Charging Schedule of the London Borough of Tower Hamlets.

2. Exemptions and Relief

- 2.1 For the avoidance of doubt, the following types of development will usually be exempt from the payment of the London Borough of Tower Hamlets' CIL:

- A use which has a zero or nil charge (£0/m²) set out in the Tower Hamlets' CIL Charging Schedules.
- A development, which does not fall within the definition of a "chargeable development" (regulation 9 of the CIL Regulations 2010 (as amended)).
- Dwellings let by registered providers of social housing for the purpose of being socially rented or occupied in accordance with shared ownership arrangements, subject to the specific provisions of Regulation 49 of the CIL Regulations (2010) (as amended).
- Charities where the development will be used wholly, or mainly, for charitable purposes (regulation 43 of the CIL Regulations 2010 (as amended)).

- 2.2 Under sections 55 to 58 of the CIL Regulations 2010 (as amended), the Council has the option to provide discretionary relief in 'exceptional circumstances'. The Council intends to consider exceptional relief applications on a case by case basis.

3. Instalment Policy

- 3.1 Regulation 70 of the CIL Regulations 2010 (as amended) provides options for a Charging Authority to adopt an instalment policy, which will allow developers/liable parties to pay for the levy by instalments.

- 3.2 At present, the Mayor of London has proposed an instalment policy, which will allow two instalments for developments with a CIL liability equal to or more than £500,000. He plans to adopt this instalment policy and implement it sometime in 2013. Therefore, the Council is proposing not to develop its own instalment policy but to implement the London Mayor's approach.

4. The CIL's Relationship with S 106

- 4.1 By 6th April 2014, or the date when Tower Hamlets' Charging Schedule takes effect, the use of Section 106 will be largely scaled back. The Council is developing a new Planning Obligations Supplementary Planning Document which will define where S106 will be sought and where CIL will be sought in relation to the delivery of infrastructure. This is to ensure that a developer is not charged twice for the provision of the same infrastructure.

5. Reporting and Review

- 5.1 Regulation 62 of the CIL Regulations 2010 (as amended) requires the Charging Authority to publish annual reports for each financial year.
- 5.2 The Council will keep the operation of the CIL and the position regarding the funding and economic viability evidence under continual review and, where necessary, will seek to renew the Charging Schedule in accordance with the latest Government guidance and legislation.

6. Meaningful Proportion

- 6.1 A ‘meaningful proportion’ of CIL receipts will be made available to the local community to spend. This “meaning proportion” will amount to between 15% and 25% of total annual CIL receipts.

7. Monitoring and Administration

- 7.1 The London Borough of Tower Hamlets will seek to collect between 4% and 5% of CIL charges relating to Mayoral CIL and Tower Hamlets’ own CIL respectively. This will be used for monitoring and administrative purposes in accordance with the CIL Regulations 2010.

Appendix 3: Draft Regulation 123

Proposed to take effect from 1st February 2014.

Types of infrastructure to be funded by CIL: -

- The provision, improvement, replacement, operation or maintenance of new and existing community facilities and faith buildings;
- The provision, improvement, replacement, operation or maintenance of new and existing public education facilities;
- The provision, improvement, replacement, operation or maintenance of new and existing leisure facilities such as sports facilities, libraries and Idea Stores;
- The provision, improvement, replacement, operation or maintenance of new and existing open space;
- The provision, improvement, replacement, operation or maintenance of new and existing roads and other transport facilities;
- The provision, improvement, replacement, operation or maintenance of new and existing health facilities;
- The provision, improvement, replacement, operation or maintenance of new and existing employment and training facilities;
- The provision, improvement, replacement, operation or maintenance of new and existing energy and sustainability infrastructure to help meet sustainability objectives;
- The provision, improvement, replacement, operation or maintenance of new and existing flood defences;
- The provision, improvement, replacement, operation or maintenance of new and existing electricity supplies to all Council managed markets;
- The provision, improvement, replacement, operation or maintenance of new and existing infrastructure dedicated to public safety (e.g. wider CCTV coverage);
- The provision, improvement, replacement, operation or maintenance of new and existing infrastructure dedicated to public art;
- Unless the need for specific infrastructure contributions are identified in the Planning Obligations Supplementary Planning Document or arises directly from five or fewer developments, where section 106 arrangements may continue to apply if the infrastructure is required to make the development acceptable in planning terms.