



# **Community Infrastructure Levy (CIL)**

## **Charging Schedule**

**April 2015**

## **1. The Charging Authority**

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 25 February 2015.

## **3. Date of Effect**

3.1 This Charging Schedule will come into effect on 1 April 2015.

## **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 2010 (as amended). CIL will be chargeable on the net additional floorspace (gross internal area<sup>1</sup>) of all new development apart from those exempt under Part 2 and Part 6 of the Community Infrastructure Levy Regulations 2010 (as amended). These exemptions include:

- Developments where the gross internal area of new build<sup>2</sup> on the relevant land will be less than 100 square metres except where the development will comprise one or more dwellings;
- Buildings into which people do not normally go, or go into only intermittently for the purpose of inspecting or maintaining fixed plant or machinery;
- Development where the owner of a material interest in the relevant land is a charitable institution<sup>3</sup> and the development will be used wholly (or mainly) for charitable purposes.

4.2 In addition, the Regulations also allow exemptions to be claimed for self-build housing, and residential annexes and extensions over 100 square metres (regulation 42A and 42B). Affordable housing will be eligible for relief from CIL (regulation 49).

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<sup>1</sup> Please refer to the accepted method of calculation set out in the Royal Institution of Chartered Surveyors' Code of Measuring Practice: A Guide for Professionals.

<sup>2</sup> Please refer to Part 2 of the CIL Regulations 2010 (as amended).

<sup>3</sup> Please refer to Part 5 of the CIL Regulations 2010 (as amended).

## 5. CIL Rates

- 5.1 The Council intends to charge different rates of CIL 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 The Council is designated as the 'Collecting Authority' for the CIL of the Mayor of London. This requires a charge of £35 per square metre to be levied in addition to the amount specified in Table 1.

**Table 1 Proposed Rates**

| Development Type  | Proposed CIL Rate Per sq. m (GIA) of Development |                 |                       |                            |
|---|--|-----------------|-----------------------|----------------------------|
| Residential   | Zone 1   | Zone 2          | Zone 3                | Large Allocated Sites***** |
|   | £200   | £65             | £35                   | Nil                        |
| Offices   | City Fringe                                      | North Docklands | Large Allocated Sites | Rest of Borough            |
|   | £90  | Nil             | Nil                   | Nil                        |
| Retail (Except Convenience Supermarkets/ Superstores* and Retail Warehousing**) | £70  | £70             | Nil                   | Nil                        |
| Convenience Supermarkets/ Superstores* and Retail Warehousing**                 | Borough Wide, except Large Allocated Sites*****  |                 |                       | Large Allocated Sites      |
|   | £120   |                 |                       | Nil                        |
| Hotel   | Borough Wide, except Large Allocated Sites       |                 |                       | Large Allocated Sites      |
|   | £180   |                 |                       | Nil                        |
| Student Housing Let at Market   | Borough Wide, except Large Allocated Sites       |                 |                       | Large Allocated Sites      |

| Development Type                              | Proposed CIL Rate Per sq. m (GIA) of Development |                       |
|---|--|-----------------------|
| Rents***                                      | £425   | Nil                   |
| Student Housing Let at Below Market Rents**** | Borough Wide, except Large Allocated Sites       | Large Allocated Sites |
|   | Nil  | Nil                   |
| All Other Uses                                | Borough Wide                                     |                       |
|   | Nil  |                       |

\_\* Convenience Supermarkets/Superstores are defined as shopping destinations in their own right, where weekly food needs are met, catering for a significant proportion of car-borne customers, 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.

-\*\*\* Student housing not falling with the definition at \*\*\*\* below.

-\*\*\*\* Student housing let at below market rents, to meet an identified need, secured by a s106 planning obligation.

-\*\*\*\*\* Large Allocated Sites are defined as the sites, within Tower Hamlets, contained within the boundaries of the Bishopsgate Goods Yard, Wood Wharf, Westferry Printworks and London Dock allocated sites as set out in the *Tower Hamlets Local Plan Managing Development Document*.

5.3 For 'Student Housing Let at Below Market Rents', a below market rent will need to be in place for a minimum of seven years. The discount, to make the rent 'below market' (over a seven year period), must, as a minimum, equate to the CIL liability that would be applicable to 'Student Housing Let at Market Rents'. A valuation should be carried out by an independent person, at the cost of the applicant, to establish this. Further Guidance is provided in the Council's CIL Explanatory Notes.

5.4 The Council will require 'Student Housing Let at Below Market Rents' to be university led development. Any developer undertaking development on behalf of a university must enter into a formal nomination agreement, or the equivalent, with the university in question. In addition, the university in question must have at least one teaching facility in Tower Hamlets' CIL Charging Area.

## **6. Charging Zones**

- 6.1 The charging areas (Zones 1 to 3, City Fringe and North Docklands) referred to in the above table are illustrated on the Charging Zones Maps, attached at Appendix 1 of this document. The maps also identify the areas of Tower Hamlets, which fall within the boundary of London Legacy Development Corporation. Developments in these locations are not covered by this Schedule and will be subject to any Community Infrastructure Levy adopted 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).

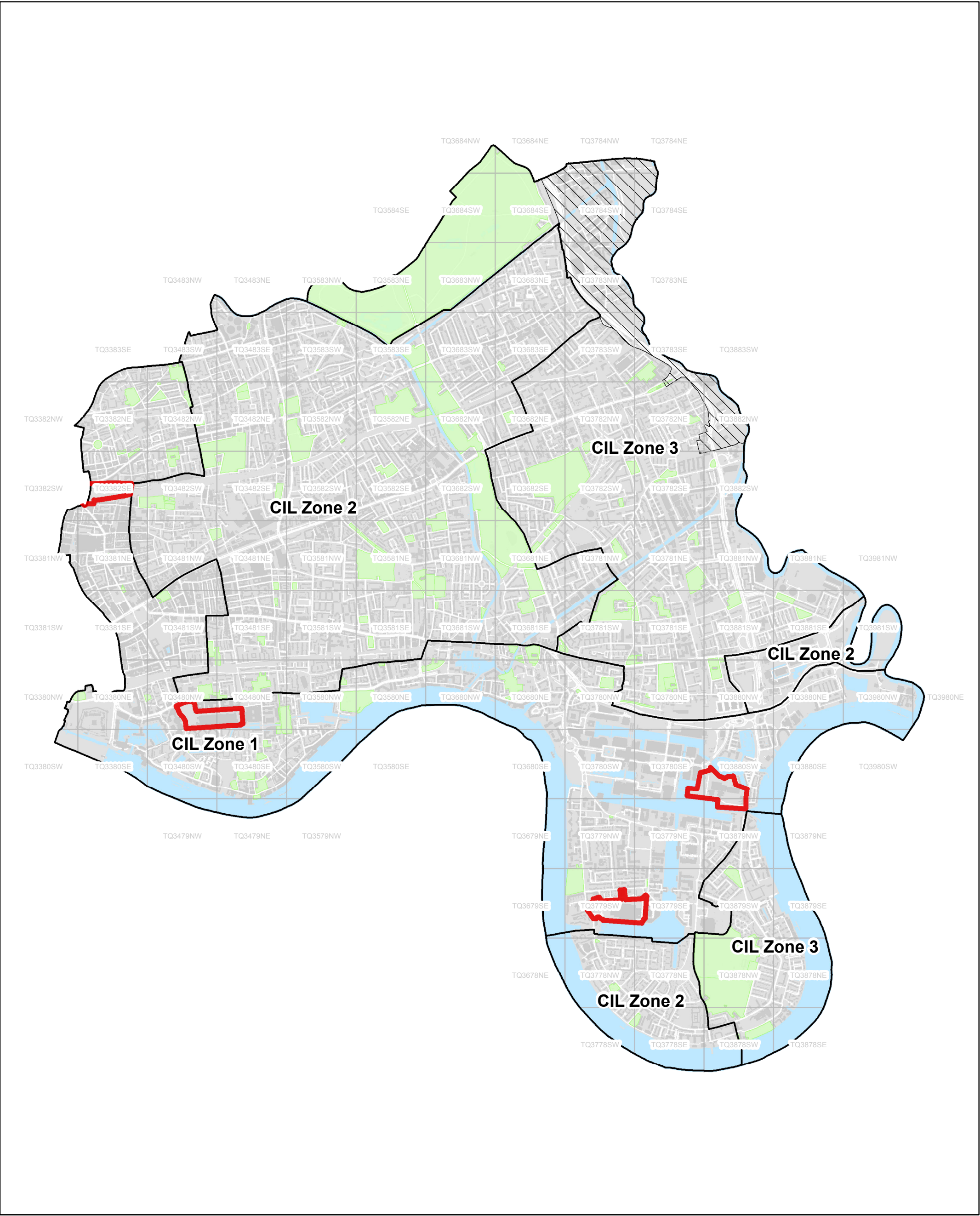
## **8. Inflation and Indexation**

- 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. Further Information**

- 9.1 Further information on the Community Infrastructure Levy is available on the Council's website [www.towerhamlets.gov.uk/CIL](http://www.towerhamlets.gov.uk/CIL)

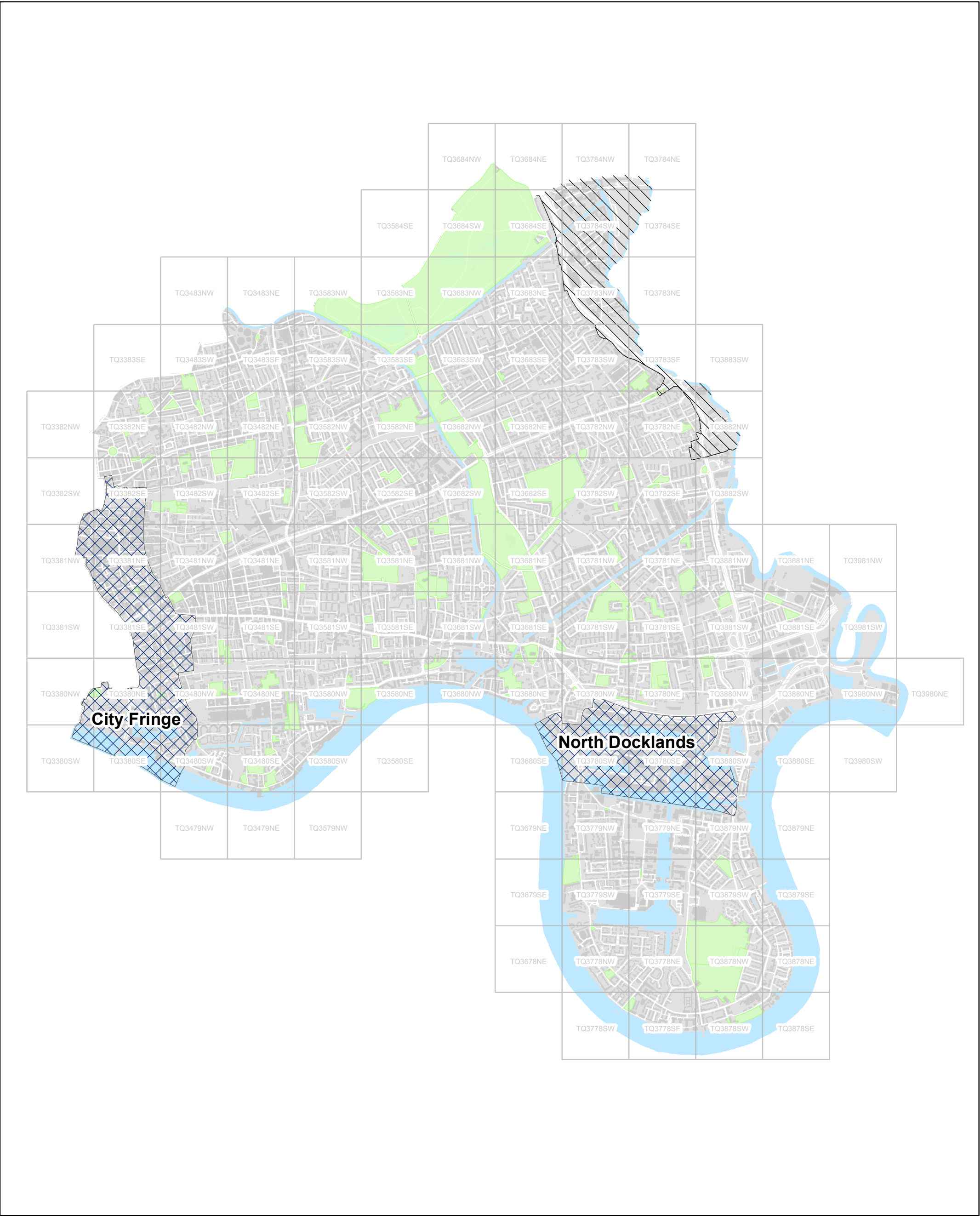
## **Appendix 1: Charging Area Maps**



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



Appendix 1: Office & Retail (except Convenience Supermarkets, Superstores and Retail Warehousing) Charging Zones



- Office & Retail (except Convenience Supermarkets, Superstores and Retail Warehousing) Charging Zones
- Ordnance Survey Grid (*Labels represent grid reference*)
- London Legacy Development Corporation Area

Date: 08/01/2015

