

# WEST HENDON

## CIL ASSESSMENT

March 2013

Quod





West Hendon – CIL  
Assessment

February 2013

Our Ref: Q10102

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## Documents

Document 1            Illustrative Phased Masterplan CIL Liability

# 1 INTRODUCTION

- 1.1 This CIL Assessment is prepared in support of the hybrid planning application submitted in respect of the redevelopment proposals for West Hendon Estate, Barnet. The application is submitted to the determining authorities of the London Borough of Brent (LBB) and the Greater London Authority (GLA).
- 1.2 The planning application is submitted on behalf of Barratt Metropolitan LLP and comprises a hybrid planning application (“the planning application”). It seeks part full planning permission (“Detailed”) and part outline planning permission (“Outline”).
- 1.3 The primary purpose of this CIL Assessment is to seek to agree with LBB a statement of common ground in the calculation of CIL pursuant to these development proposals.
- 1.4 It is recognised that as of February 2013, the CIL regulations are in continued flux, with further changes expected during 2013. As such this assessment represents a snap shot in time and will need to evolve as a live document as the planning application progresses and reserved matters are submitted.
- 1.5 In addition, given the nature of this planning application as a hybrid planning application, there are additional complexities to the CIL assessment and resulting in a degree of certainty regarding the method of calculation.
- 1.6 Notwithstanding the above, an assessment is necessary to ensure an appropriate and robust input into the joint viability assessment. It is also necessary to inform the LLP of its likely expose to CIL as the redevelopment of West Hendon will be required to make financial contributions towards infrastructure. The timing of the planning permission will dictate the regime under which these contributions are sought, and will affect the level of contributions sought.
- 1.7 The Mayor’s Community Infrastructure Levy (“MCIL”) Charging Schedule is already in place (£35/m<sup>2</sup> for all development other than medical, health, education (Class D1 uses) and affordable housing development), and it is expected that the London Borough of Barnet’s (“LBBCIL”) Charging Schedule

will come into force from 1<sup>st</sup> May 2013 (£135/m<sup>2</sup> for Class C1-C4 and A1-A5 floorspace only other than affordable housing).

- 1.8 Therefore, should planning permission be granted after 1<sup>st</sup> May 2013 the development will be liable for both Mayoral and LBB CIL payments unless exceptional circumstances are demonstrated, which this submission seeks to demonstrate.
- 1.9 CIL is controlled by the Community Infrastructure Levy Regulations 2010 (which came into force on 6 April 2010) which have been updated by the Community Infrastructure Levy (Amendment) Regulations 2011 (which came into force on 6 April 2011) as subsequently amended (November 2012 and February 2013).
- 1.10 CLG produced further Guidance on CIL on 14 December 2012 under section 221 of the Planning Act 2008 that Charging Authorities must have regard to. This replaces the 'Community Infrastructure Levy Guidance: Charge setting and charging schedule procedures, March 2010'. This guidance should be complied with in terms of the setting and operation of the Levy. It sets out the evidence required and outlines the linkages between the relevant plan, CIL, s106 obligations and spending of CIL on infrastructure.
- 1.11 Unlike Section 106, CIL is non-negotiable, so applying and collecting it is purely an administrative process. The Regulations allow CIL revenue from a particular scheme to be spent by the Council on any community infrastructure required to support growth; it is not therefore tied to a particular project. To this end the definition of 'infrastructure' within the CIL Regulations is broad and a Council is free to prioritise various categories in their infrastructure planning schedules.

## 2 EXCEPTIONAL CIRCUMSTANCES

2.1 This submission sets out the justification as to why in this instance, exceptional circumstances exist and can be granted to remove the requirement to make LBBCIL payments in favour of s.106 obligations. MCIL will still be liable.

2.2 Given the nature of the redevelopment proposals, it is not unsurprising that exceptional circumstances exist pursuant to this planning application. This is an estate regeneration proposal which brings with it exceptional costs, namely:-

- The need to re-provide net existing affordable housing back onto the site.
- The requirement to decant residents on site at the same time as development takes place. There are therefore tight restrictions on site availability and phasing of development.
- Urban design considerations limit the scale of development that can be delivered on site and therefore the amount of private accommodation that can be delivered to fund the redevelopment proposals.
- LBB have been insistent on the need to deliver at least 0.8:1 residential car parking across the site, despite the views of the LLP and GLA that this could be lower. This brings with it development costs in terms of basement and double basement car parking requirements.
- An existing planning permission for redevelopment of the site already exists (W139874/04 1st July 2008) which has been part implemented. This proposes 2171 residential units compared to the current application of 2000 residential units, and is not subject to a CIL levy (GLA or LBB). It has been considered that this development is not viable even without the benefit of not being subject to CIL liability. Therefore any additional cost is simply considered to be detrimental to the delivery of the development.
- Owing to the nature of development and the precedent set by the s.106 obligations pursuant to planning permission W139874/04, it is expected that the planning application will be subject to site specific s.106 obligations under Regulation 122 of the Community

Infrastructure Levy Regulations (as amended) 2010. LBB have stated that these obligations will be made outwith any CIL liability.

- 2.3 Notwithstanding the practical considerations set out above, the CIL Regulations require specific tests to be undertaken for Exceptional Circumstances to be granted under Regulation 55. These are set out below.

**Discretionary relief for exceptional circumstances**

**55.—(1) A charging authority may grant relief (“relief for exceptional circumstances”) from liability to pay CIL in respect of a chargeable development (D) if—**

**(a) it appears to the charging authority that there are exceptional circumstances which justify doing so; and**

**(b) the charging authority considers it expedient to do so.**

**(2) Paragraph (1) is subject to the following provisions of this regulation.**

**(3) A charging authority may only grant relief for exceptional circumstances if—**

**(a) it has made relief for exceptional circumstances available in its area;**

**(b) a planning obligation under section 106 of TCPA 1990(1) has been entered into in respect of the planning permission which permits D; and**

**(c) the charging authority—**

**(i) considers that the cost of complying with the planning obligation is greater than the chargeable amount payable in respect of D,**

**(ii) considers that to require payment of the CIL charged by it in respect of D would have an unacceptable impact on the economic viability of D, and**

**(iii) is satisfied that to grant relief would not constitute a State aid which is required to be notified to and approved by the European Commission.**

**(4) The Mayor may not grant relief for exceptional circumstances in respect of a chargeable development unless a claim for that relief is referred to the Mayor by a London borough council in accordance with regulation.**



- 2.4 Under 55(3)(a) the first test is whether LBB has made relief available for exceptional circumstances available in its area. The LBB November 2012 Statement of Modifications Draft Charging Schedule Modification document reference 4.3 confirms that “Exceptional Circumstances Relief is made available on adoption of the Charging”. As such relief can be made available by LBB.
- 2.5 Under 55(3)(b) the second test is whether a planning obligation under section 106 of TCPA 1990(1) has been entered into in respect of the planning permission which permits the chargeable development. This has not yet been undertaken as the planning application has yet to be determined, however for the purposes of this assessment it is assumed that a planning obligation under section 106 of TCPA 1990(1) has been entered into.
- 2.6 There are then 3 further tests which are considerations which have to be undertaken by LBB.
- 2.7 Under 55(3)(a)(c)(i) LBB shall need to conclude that the cost of complying with the planning obligation is greater than the chargeable amount payable in respect of the chargeable development. This requires a calculation therefore of the final s.106 planning obligation (or for the purposes of this assessment on an assumed s.106 obligation) and the CIL liability pursuant to the chargeable development. This in itself raises a degree of uncertainty for hybrid applications as Regulation 9(4) confirms that in the case of a grant of outline planning permission which permits development to be implemented in phases, each phase of the development is a separate chargeable development. This test is considered further in Section 4 whereby it is concluded that the cost of complying with the planning obligation is greater than the CIL chargeable amount payable in respect of the chargeable development.
- 2.8 Under 55(3)(a)(c)(ii) LBB shall need to conclude that to require payment of the CIL charged by it in respect of the chargeable development, that this would have an unacceptable impact on the economic viability of the chargeable development. This test is considered within the joint viability assessment whereby it is demonstrated that any additional financial liability above the s.106 obligations identified would jeopardise this development proposal and would therefore have an unacceptable impact on the economic viability of the chargeable development either taken in phases or as a single development.

2.9 Finally Under 55(3)(a)(c)(iii) LBB shall need to be satisfied that to grant relief would not constitute State Aid which is required to be notified to and approved by the European Commission. This will be an issue for LBB to resolve internally however the December 2012 CIL Guidance further clarifies the issue of State Aid confirming that it should not be an issue where the consideration of viability has been undertaken. There are several references to this as follows:-

- Paragraph 27 - focuses on strategic sites on which the Local Plan relies and where the impact of the levy on economic viability will be most significant is legitimate
- Paragraph 31 - discretionary relief is considered in a far more positive way than previous, acknowledging that Regulations 55 to 58 allow charging authorities to set discretionary relief for exceptional circumstances. Use of an exceptions policy enables the charging authority to avoid rendering sites with specific and exceptional cost burdens unviable should exceptional circumstances arise.
- Paragraph 34 – differentiation by geographical zone, even to the point of consideration of treating major strategic sites as their own geographical zone, is permissible. The CIL regulations therefore allow for differentiation subject to robust evidence on economic viability. This point is endorsed further at Paragraph 36.
- Paragraph 40 – confirms that to avoid issues of State Aid, there should be a consistent evidence relating to economic viability.

2.10 It is our opinion that granting relief would not constitute State Aid.

2.11 It is for these reasons that we consider that this planning application does meet the tests of Regulation 55 and therefore exceptional circumstance relief can be confirmed.

2.12 Exceptional circumstances relief is claimed in accordance with Regulation 57, and comprises some of the following procedures:-

- (3) The person claiming relief (“the claimant”) must be an owner of a material interest in the relevant land.

- (4) A claim for relief must (a) be submitted to the charging authority in writing on a form published by the Secretary of State (or a form to substantially the same effect); (b) be received by the charging authority before commencement of the chargeable development; (c) include the particulars specified or referred to in the form; and (d) be accompanied by (i) an assessment carried out by an independent person of the cost of complying with the planning obligation mentioned in regulation 55(3)(b), (ii) an assessment carried out by an independent person of the economic viability of the chargeable development, (iii) an explanation of why, in the opinion of the claimant, payment of the chargeable amount would have an unacceptable impact on the economic viability of that development, (iv) where there is more than one material interest in the relevant land, an apportionment assessment.
- (5) For the purposes of paragraph (4)(d) an independent person is a person who (a) is appointed by the claimant with the agreement of the charging authority; and (b) has appropriate qualifications and experience.
- (7) As soon as practicable after receiving a claim for relief, the charging authority must notify the claimant in writing of its decision on the claim and (where relief is granted) the amount of relief granted.
- (9) A claim for relief for exceptional circumstances will lapse where the chargeable development to which it relates is commenced before the charging authority has notified the claimant of its decision on the claim.
- (10) A chargeable development ceases to be eligible for relief for exceptional circumstances if there is a disqualifying event. (11) A disqualifying event occurs if (a) before the chargeable development is commenced (i) charitable or social housing relief is granted in respect of the chargeable development, or (ii) an owner of a material interest in the relevant land makes a material disposal of that interest; or (b) at the end of the period of 12 months beginning with the day on which the charging authority issues its decision on the claim, the chargeable development has not been commenced.

- 2.13 As previously detailed, relief can only be granted where a section 106 obligation has been entered into. Uncertainty will exist therefore up to this point although this can be managed through commitments written into the draft S.106 or a separate legal agreement.
- 2.14 The Mayor of London has not made relief for exceptional circumstances available in his area and therefore relief is only available for LBBCIL.

### 3 CIL LIMITATIONS

3.1 A CIL charge is calculated according to a charging authority's published Charging Schedule at the time planning permission first permits development. It is charged on the additional net uplift in Gross Internal Floor Area. Occupied floorspace is discounted and social housing relief is given on any new proposed affordable dwellings on site. There are however a number of limitations as set out below.

**a) Hybrid Planning Application**

3.2 In respect of the current planning application, it is a hybrid which is not specifically recognised with the CIL Regulations. Circular 04/2008 confirms that a local planning authority may accept a 'hybrid' application; that is, one that seeks outline planning permission for one part and full planning permission for another part.

3.3 The calculation of CIL is therefore undertaken on the basis of a part full planning permission and a part outline planning permission.

**b) Phased Outline Planning Permission – Chargeable Development**

3.4 Regulation 9 (1) confirms that the chargeable development is the development for which planning permission is granted.

3.5 In the case of a grant of outline planning permission which permits development to be implemented in phases, Regulation 9(4) confirms that each phase of the development is a separate chargeable development. For the purposes of the CIL Regulations, an outline planning permission permits development to be implemented in phases if (in accordance with Section 92(5) of the Town and Country Planning Act 1990) if it provides for the application of the approval of reserved matters within separate periods for separate parts of that development (Regulation 2). For West Hendon, a strategic phasing parameter has been submitted which seeks to define possible future phases upon which reserved matters will be submitted for that phase, or indeed sub-phases pursuant to that.

- 3.6 Regulation 8 confirms that for outline planning permissions, planning permission first permits development on the day of the final approval of the last reserved matter associated with the permission. Where outline planning permission permits development to be implemented in phases, planning permission first permits a phase on the day of the last reserved matter associated with that phase (5).
- 3.7 There are therefore complexities associated with phased outline planning permissions in that the CIL liability of the phase of development cannot legally be confirmed until the last reserved matter for that phase has been signed off. With a phased development which might not expect the last phase to be submitted for several years, this will mean that the actual CIL Liability cannot be calculated with true certainty as the CIL levy may well have changed between the application submission and this relevant date.
- 3.8 There are also issues associated with the demonstration of exceptional circumstances. Regulation 55(3)(a)(c)(i) requires a comparison between the cost of complying with the planning obligation pursuant to the planning permission as whole, and an assessment of the CIL liability of each phase of development. This may be rectified by an apportionment of s.106 obligations cost per m<sup>2</sup> of development (GIA) to provide a suitable comparison, however this will need to be reviewed in due course.
- 3.9 Finally the nature of an outline application will have implications on the ability to discount occupied floorspace on site as Regulation 40(6) permits a discount only where buildings are in lawful use and are to be demolished before completion of the chargeable development (i.e. completion of the relevant phase). As such where buildings are to be demolished across phasing boundary lines then consideration will have to be undertaken to ensure that there is no artificial calculation which would result in existing occupied floorspace not being considered. It will be necessary to agree the terms of “completion” with LBB as in some cases it is likely that demolition may occur close to or at the same time as completion.

**c) Detailed Planning Permission – Chargeable Development**

- 3.10 With regards to the detailed planning permission, Regulation 9(6) confirms that planning permission first permits developments on the final day that approval is given for a condition

requiring further approval to be obtained before development can commence (i.e. approval of the last pre-commencement condition). It is only at this point that the CIL liability notice will be produced by LBB confirming the payment due.

**d) Social Housing Relief**

3.11 Regulation 49 – 54 deal with the issue of Social Housing Relief. Relief is actually given to proposed affordable housing (the CIL Regulation Definition is now aligned with that contained in the NPPF).

3.12 Whilst there are a number of requirements to meet which will need to be considered in due course, the key strategic issues are:-

- As currently interpreted, the relief available under Regulation 49 (qualifying dwellings) relates to an affordable dwelling (i.e. the equivalent NIAm<sup>2</sup> of the affordable unit) and not the GIAm<sup>2</sup> of the proposed affordable floorspace. This means that CIL will be paid on the communal parts of the affordable buildings. It is considered by Quod that this is a wrong interpretation and not how the Regulations were meant to be drafted, and we would welcome thoughts on this issue from LBB. For the purposes of the CIL calculation however we have used this definition to ensure a conservative approach.
- Regulation 51(4) confirms that a claim for social housing relief will lapse where the chargeable development to which the claim relates is commenced before the collecting authority has notified the claimant of its decision on the claim.

3.13 It is expected that the anomaly in Regulation 49 will be rectified by further regulation amendment during 2013.

**e) Existing Buildings on Site**

3.14 Regulation 40(6) relates to the calculation of chargeable development. In explanation of the calculation formula, it confirms that the GIAm<sup>2</sup> of existing buildings on site can be deducted from the CIL liability whereby:-

- on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use; and

- are to be demolished before completion of the chargeable development.

3.15 Regulation 40(10) confirms that:-

- For the purposes of this regulation a building is in use if a part of that building has been in use for a continuous period of at least six months within the period of 12 months ending on the day planning permission first permits the chargeable development.

3.16 The requirement is only that part of the building must be in lawful use - the Regulations give no guidance in defining 'part'. Legal advice confirms that there is nothing which requires a substantial part of the building to be in use and that a relatively small percentage of the overall floorspace may be sufficient to satisfy the requirement.

3.17 This is a key aspect of CIL to allow certain existing buildings/floorspace to be off-set against the proposed new floorspace, therefore reducing the overall CIL liability. A "building" does not include:

- a building into which people do not normally go;
- a building into which people go only intermittently for the purposes of maintaining or inspecting machinery;
- a building for which planning permission was granted for a limited period.

3.18 For the purposes of this assessment it is assumed that the tests of Regulation 40(6) and 40(10) are met.

**f) Index**

3.19 Indexation will be applied to the calculation of the chargeable amount. Regulation 40(7) confirms that the index referred to is the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for 1st November of the preceding year. In the event that the All-in Tender Price Index ceases to be published, the index will be the retail prices index; and the figure for a given year is the figure for November of the preceding year.



3.20 Indexation is applied to the chargeable rate for the year in which planning permission was granted and for the year in which the charging schedule containing the CIL rate took effect.

3.21 For the purposes of this assessment, no indexation has been applied.

**g) Necessary Information**

3.22 In consideration of Regulation 40(9) the planning submission adequately provides information in respect of:-

- GIAm<sup>2</sup> of all buildings and their uses on the site prior to development;
- GIAm<sup>2</sup> of buildings and their uses to be demolished; and
- Proposed GIA of all buildings and their uses on the site once the development has been completed.

**h) Barnet CIL – Inspectors Report**

3.23 On February 12<sup>th</sup> 2013 the report on the examination of the Draft Barnet CIL Charging Schedule was produced following the submission of the Charging Schedule for examination on 5 November 2012.

3.24 Importantly the Inspector commented on this issue of Exceptional Circumstances at paragraph 13 confirming that there may be some parts of the Borough, such as the Regeneration Areas, where the viability of housing schemes supported by site specific Section 106 planning obligations is more marginal. The Inspector noted that although not a subject for his examination, the Council has stated that it may consider granting ‘exceptional circumstances’ relief for certain key proposals. If the strict criteria of the CIL Regulations are met, critical development important for the success of the regeneration policy is unlikely to be jeopardised.

3.25 As such the Inspector found the charging schedule to be sound save for one particular point. He felt that the CIL charges on car parking space in the Borough, whether ancillary or not, should be excluded as there is no supporting viability evidence to underpin charging for this element of any new development. The Council now supports this change.

- 3.26 This clarification is important as there has been ongoing debate regarding the definition of Gross Internal Area (GIA) in respect of whether uncovered or open sided elements of car parking (elevations and roofs) are deemed to be 'GIA floorspace' and therefore liable to a CIL payment. The RICS New Rules of Measurement Guidance, February 2009, for instance suggests that "areas of open ground floors and the like shall be excluded" from the GIA calculation as well as open sides covered ways. This issue remains relevant however for the calculation of MCIL.
- 3.27 As a minor technical matter the Inspector sought to clarify that CIL related to residential (Use Classes C1-C4) and retail (Use Classes A1-A5) development only.
- 3.28 As of yet there has been no CLG Guidance on planning applications which apply for multi-uses on the same site (such as West Hendon). The commercial floorspace proposed (1,630m<sup>2</sup> GIA) is for Class A1-A5 uses which are CIL liable but also Class B1, which is not LBB CIL liable (albeit it is MCIL liable). This matter will need to be resolved in due course.

**i) Payments**

- 3.29 CIL is due on the date that a chargeable development is commenced – i.e. on the date on which any material operation begins (Regulation 7(2)). In the case of outline permissions which may be implemented in phases, each phase of the development is a separate chargeable development – i.e. CIL is due on the commencement of a material operation phase by phase (Regulations 7 and 9).
- 3.30 Regulation 7(6) confirms that "material operation" has the same meaning as in section 56(4) of TCPA 1990(1) (time when development begun).
- 3.31 The trigger for payment is the commencement of development, although payments can be made by instalment if the Council has a policy allowing this. LBB has confirmed its intention to allow an instalment policy and this is awaited. This cannot be set for individual projects and has to relate to dates not trigger points of the development.
- 3.32 The Mayor of London has now confirmed his instalment policy. Where the payable amount of CIL is £500,000 or less, the whole amount shall be paid in a single installment not more than 60 days after commencement of the development. Where the payable amount is more than £500,000, developers should have the option to pay two installment payments - The greater of £500,000 or

half the value of the total payable amount 60 days after commencement, and the remainder 240 days after commencement.

**j) Conclusions**

- 3.33 Ultimately, whilst flexibility might exist to a degree in the CIL Regulations, they are overly complex in many regards and have failed to address the needs of complex, mixed use, phased, hybrid planning applications.
- 3.34 In the case of West Hendon, it is necessary to have strategic development phases for the submission of future reserved matters, as it is not good planning to be submitting reserved matters for over 1600 units in one go. As such the strategic phasing plan identifies 4 strategic phases for this planning application (Phase 3, 4, 5 and 6).
- 3.35 This would appear to trigger Regulation 8 which was drafted to allow a staged and structured approach to CIL payments. What it does unfortunately mean is additional complexity through additional CIL reviews. The exceptional circumstances test needs to be reviewed for each chargeable development; the issue of demolition of cross boundary occupied buildings might mean a failure of realising a true existing building discount; and the final CIL liability will be unknown as this is also calculated at each chargeable development (phases) which may not be known for many years.
- 3.36 Further consideration of Regulation 2, 8 and 9 is therefore necessary in dialogue with LBB to resolve this issue as it may simply be a reflection of the fact that without reserved matters approval and fixed GIAm<sup>2</sup>, the calculation of CIL cannot be factually undertaken.

## 4 CIL CALCULATION

- 4.1 In light of the requirement of Regulation 55, it is necessary to first calculate the likely CIL of the chargeable development, and then consider this against the likely cost of complying with the planning obligation. This will enable an assessment of whether the amount payable under CIL is less than the cost of the planning obligation.
- 4.2 It is also necessary to calculate MCIL for which there is no exceptional circumstances relief available.
- 4.3 As only the total costs of complying with the planning obligation can be estimated at this time, this assessment only includes the end scheme for the purposes of comparison.

### a) CIL Liability

- 4.4 The CIL liability per phase of development for the West Hendon planning application is set out below.

	GLA £35	Barnet £135	Total
Detailed application ex. undercroft	705,845	2,194,425	2,900,270
inc. undercroft	888,545		3,082,970
Phase 3 – outline component ex. undercroft	381,430	475,875	857,305
inc. undercroft	628,635		1,104,510
Phase 4 – outline ex. undercroft	946,575	3,262,005	4,208,580
inc. undercroft	1,262,765		4,524,770
Phase 5 – outline ex. undercroft	632,940	2,441,340	3,074,280
inc. undercroft	821,135		3,262,475
Phase 6 – outline ex. undercroft	1,384,985	5,296,320	6,681,305
inc. undercroft	1,809,990		7,106,310
<b>Total Exc. Undercroft for MCIL only</b>		<b>13,669,965</b>	<b>19,081,035</b>
<b>Total Inc. Undercroft for MCIL only</b>		<b>13,669,965</b>	<b>17,721,740</b>

4.5 It is expected that this assessment will be analysed in detail with LBB post submission. The excel spread sheet for this assessment is set out at **Document 1**.

4.6 The assessment makes the following caveats:-

- CIL is based on proposed GIA (residential, commercial); less affordable NIA; less floorspace to be demolished (GIA); x£35 MCIL levy; and £135 LBBCIL levy.
- Whilst LBBCIL excludes car parking, MCIL sensitivity checks the inclusion and exclusion of undercroft parking.
- The floorspace figures for existing demolished floorspace are NIAm<sup>2</sup> and therefore underestimate the actual relief. This will need to be grown through an agreed ratio in due course to GIAm<sup>2</sup>.
- It is assumed that the demolished blocks occur in line with the development phases.
- The demolition NIAm<sup>2</sup> for Marriotts includes all floorspace and doesn't disaggregate the 10 houses. The 10 houses are demolished in Phase 4; whilst the apartment blocks are demonstrated in the detailed application. We would need to disaggregate this floorspace in due course.

4.7 The above assessment provides an indication of the likely CIL liability in total and on a phased basis.

**b) Costs of Implementing the s.106 Obligation**

4.8 It is important to note that Regulation 55 relates to the "costs of complying with the planning obligation". This means that all development costs controlled by the legal obligation should be considered including affordable housing and s.278 works in addition to cash contributions.

4.9 To meet Regulation 55(3)(c)(i) the obligation costs need to be greater than £13,669,965.

4.10 Discussions regarding s.106/s.278 works have to date concluded a cost of around £14M. If one then takes into account the cost of providing affordable housing which is in the millions then it is clear that the test is met on a holistic basis.



4.11 In light of the Regulations it may be necessary to consider this test on a disaggregated basis for each phase subject to detailed discussions with LBB.

## 5 CONCLUSIONS

- 5.1 This assessment sets a benchmark upon which the LLP wish to agree a statement of common ground pursuant to the CIL Liability of this planning application. It sets out the justification for Exceptional Circumstances to be granted, and provides an indication of the likely MCIL liability.



DOCUMENT 1

WEST HENDON CIL CALCULATION



West Hendon CIL Liability Assessment

West Hendon	MCIL inc. undercroft		MCIL ex. undercroft		LBBCIL (no basement or undercroft)	
<b>Detailed</b>	Proposal GIA	41,377	Proposal GIA	36,157	Proposal GIA	32,245
	less affordable NIA	5,560	less affordable NIA	5,560	less affordable NIA	5,560
	less demolition	10,430	less demolition	10,430	less demolition	10,430
	Sub total	25,387	Sub total	20,167	Sub total	16,255
	x £35	888,545	x £35	705,845		
	Total	888,545	Total	705,845	x £135	2,194,425
				Total	2,194,425	
<b>OUTLINE PHASE 3</b>	Proposal GIA	42,634	Proposal GIA	35,571	Proposal GIA	28,198
	less affordable NIA	8,666	less affordable NIA	8,666	less affordable NIA	8,666
	less demolition	16,007	less demolition	16,007	less demolition	16,007
	Sub total	17,961	Sub total	10,898	Sub total	3,525
	x £35	628,635	x £35	381,430		
	Total	628,635	Total	381,430	x £135	475,875
				Total	475,875	
<b>PHASE 4</b>	Proposal GIA	60,050	Proposal GIA	51,016	Proposal GIA	48,134
	less affordable NIA	8,902	less affordable NIA	8,902	less affordable NIA	8,902
	less demolition	15,069	less demolition	15,069	less demolition	15,069
	Sub total	36,079	Sub total	27,045	Sub total	24,163
	x £35	1,262,765	x £35	946,575		
	Total	1,262,765	Total	946,575	x £135	3,262,005
				Total	3,262,005	
<b>PHASE 5</b>	Proposal GIA	31,232	Proposal GIA	25,855	Proposal GIA	25,855
	less affordable NIA	7,771	less affordable NIA	7,771	less affordable NIA	7,771
	less demolition	0	less demolition	0	less demolition	0
	Sub total	23,461	Sub total	18,084	Sub total	18,084
	x £35	821,135	x £35	632,940		
	Total	821,135	Total	632,940	x £135	2,441,340
				Total	2,441,340	
<b>PHASE 6</b>	Proposal GIA	58,164	Proposal GIA	48,473	Proposal GIA	48,134
	less affordable NIA	6,450	less affordable NIA	8,902	less affordable NIA	8,902
	less demolition	0	less demolition	0	less demolition	0
	Sub total	51,714	Sub total	39,571	Sub total	39,232
	x £35	1,809,990	x £35	1,384,985		
	Total	1,809,990	Total	1,384,985	x £135	5,296,320
				Total	5,296,320	
<b>Sub-Total</b>		5,411,070		4,051,775		13,669,965
<b>Total inc. under</b>						19,081,035
<b>Total ex. Under</b>						17,721,740



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