

CIL Charging Schedule Review Consultation: Compilation of redacted representations

Representation Index

Rep ID	Stakeholder	Organisation Name
E01	Interest group	Wandle Valley Forum
E02	Member of the public	N/A
E03	Public body	Natural England
E04	Public body	National Highways
E05	Public body	Historic England
E06	Developer	Prologis UK
E07	Developer	DP9 on behalf of Croydon Developments Ltd
E08	Public body	Network Rail
E09	Developer	Planning Issues UK on behalf of Churchill Living and McCarthy Stone
E10	Developer	DP9 on behalf of SKM Croydon Limited and KS Croydon Limited (Norfolk House)
E11	Public body	Transport for London
E12	Developer	Quod on behalf of URW
E13	Public body	NHS London HUDU
E14	Member of the public	N/A
E15	Member of the public	N/A
O01	Developer	Chartwell Land & New Homes Limited
O02	Member of the public	N/A
O03	Member of the public	N/A
O04	Member of the public	N/A
O05	Member of the public	N/A
O06	Member of the public	N/A
O07	Developer	Southern Housing
O08	Residents Association	East Coulsdon
O09	Developer	Quod on behalf of IKEA
O10	Public body	Sports England

E01 Wandle Valley Forum

Having reviewed the online form for representations we are unable to use it. It does not make provision for organisational responses and it requires a binary choice of answers on some questions on which we do not wish to express a view to enable others to be responded to.

We have a single issue that we would like to see addressed in Croydon's CIL Charging Schedule. We ask that it explicitly makes provision for pooling funds with other local authorities in relation to investment in the Wandle and its associated green spaces and public access. The inability to take a cross-boundary approach has been an unhelpful barrier to investment in this vital community infrastructure.

E02 Member of the public

In my view CIL is another way of taxing the citizens. I am completely against it. If the council needs more funds, it should improve the quality of its processes and control expenditure. How long we have to pay for the incompetence of Croydon staff.

E03 Natural England

Thank you for your consultation request, dated and received by Natural England on 30th April 2025.

Natural England is a non-departmental public body. Our statutory purpose is to ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development.

Natural England has no significant comments to make on the Community Infrastructure Charging Schedule Review for the Local Plan.

The lack of comment from Natural England should not be interpreted as a statement that there are no impacts on the natural environment. Other bodies and individuals may wish to make comments that might help the Local Planning Authority (LPA) to fully take account of any environmental risks and opportunities relating to this document.

If you disagree with our assessment of this proposal as low risk, or should the proposal be amended in a way which significantly affects its impact on the natural environment, then in accordance with Section 4 of the Natural Environment and Rural Communities Act 2006, please consult Natural England again.

E04 National Highways

National Highways has been appointed by the Secretary of State for Transport as strategic highway company under the provisions of the Infrastructure Act 2015 and is the highway authority, traffic authority and street authority for the strategic road network (SRN). The SRN is a critical national asset and as such National Highways works to ensure that it operates and is managed in the public interest, both in respect of current activities and needs as well as in providing effective stewardship of its long-term operation and integrity. We will therefore be concerned with proposals that have the potential to impact the safe and efficient operation of the SRN. We will be concerned with proposals that have the potential to impact on the safe and

efficient operation of the strategic road network, in this case the closest parts of our network to the

We have reviewed all of the documents provided as part of the consultation. National Highways are not party to contributions from developments, which include CIL payments. As such, the policy documents and charging schedule we have been consulted on, do not have implications for the SRN. We have no comments to make on the CIL charging schedule consultation. We will review development proposals when we are consulted by the Planning Authority and assess what, if any, impact they have on the SRN.

E05 Historic England

By email: LDF@croydon.gov.uk

21/ 05/ 2025

Dear Spatial Planning Team,

Re: Croydon Community Infrastructure Levy Preliminary Draft Charging Schedule and Infrastructure Delivery Plan

Thank you for providing Historic England with an opportunity to comment on the review of the Community Infrastructure Levy (CIL) charging schedule and Infrastructure Delivery Plan. As the Government's adviser on the historic environment Historic England is keen to ensure that the protection of the historic environment is fully considered at all stages and levels of the local planning process.

The Historic Environment as Infrastructure

The National Planning Policy Framework (NPPF) paragraph 20 advises that strategic policies should plan and make sufficient provision cultural infrastructure, which we consider includes heritage assets. The importance of cultural infrastructure to character and amenity, the economy, and people's health/wellbeing is now well recognised. For example, London now has a [Cultural Infrastructure Plan](#). We therefore advise that the Council consider whether any heritage related projects within the district would be appropriate for CIL funding.

Funding cultural infrastructure

The Planning Act 2008 (as amended) sets out that CIL can be used to fund the provision, improvement, replacement, operation or maintenance of a wide range of infrastructure in support of the development of the charging area. This can include the maintenance and on-going costs associated with a range of heritage assets for example:

- Active travel infrastructure such as historic public realm, public spaces, etc.
- Blue and green infrastructure such as historic parks and gardens, public squares, canals, reservoirs etc.
- Educational infrastructure such as historic school, college and university buildings, etc.
- Healthcare infrastructure such as historic hospitals and medical research and teaching buildings, etc.
- Transport infrastructure such as historic bridges, roads, footpaths, canals, railways, stations, signal boxes, milestones, etc.

- Leisure and community infrastructure such as historic swimming pools, libraries, theatres, cinemas, public houses, golf courses, etc.
- Historic utilities and communication infrastructure, such as power stations, water towers, and gas holders.

The Local Plan's evidence base may demonstrate the specific opportunities for CIL to help deliver growth and, in so doing, meet the Plan's objectives for the historic environment. Historic England requests that the infrastructure lists contained in future Infrastructure Funding Statements include reference to '*improvements to heritage assets related to social, economic or environmental infrastructure*' as a type of infrastructure project which the authority intends may be wholly, or partially, funded by CIL.

You may wish to clarify in your schedule that development specific planning obligations and S106 agreements will also offer opportunities for funding improvements to heritage assets and the mitigation of adverse impacts on the historic environment. These may include, archaeological investigations, access and interpretation, and the repair and reuse of buildings or other heritage assets, etc.

Setting levy rates

Delivery of infrastructure should seek to further as many local plan priorities as possible, including provision of a positive strategy for the conservation and enjoyment of the historic environment (NPPF para. 203). We therefore advise that care is taken to ensure that the levy rates proposed are not such that they could discourage the repair and reuse of heritage assets, or heritage-led regeneration. Vacant or underused heritage assets cannot make a full contribution to the Borough's economy and may give rise to negative perceptions about an area, detracting from its attractiveness to visitors and inward investment. Consequently, in setting thresholds there should be a clear understanding of the potential impact which CIL could have on investment in, and regeneration of, historic assets and areas - particularly those which have been identified as being 'at risk'.¹

Infrastructure Delivery Plan

It is difficult to quantify a requirement for cultural infrastructure. However, we suggest that the plan aims to maintain the existing levels of cultural assets within the Borough. It could also seek to secure the long-term future of heritage at risk, and we recommend that the latter are added to the IDP.

¹ For more information on Croydon's 'Heritage at Risk' go to: <https://historicengland.org.uk/listing/heritage-at-risk/search-register/results/?advsearch=1&Lpa=Croydon&searchtype=harsearch>

Conclusion

Historic England supports a comprehensive approach to infrastructure delivery in which heritage assets are recognised as cultural infrastructure and funded via CIL. We advise that CIL levies are carefully considered to support the repair and reuse of heritage assets, with heritage at risk referenced within the IDP. As the Council's conservation staff are best placed to advise on local historic environment issues, we strongly advise that they are involved.

Please note that this opinion is based on the information provided by the Council in its consultation. To avoid any doubt, this does not affect our obligation to provide further advice and, potentially, object to specific proposals, which may subsequently arise where we consider that these would have an adverse effect upon the historic environment.

Please get in touch if there any issues you wish to clarify or discuss.

Regards,

Michelle Statton

Historic Environment Planning Adviser BA MA PhD ACIfA

E-mail: [REDACTED]

E06 Prologis UK

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Via email: LDF@croydon.gov.uk

10th June 2025

Dear Sir/Madam

Representations by Prologis UK Limited: Croydon CIL Charging Schedule, Modifications Statement and Local Plan Viability Assessment.

We write as Prologis UK Limited ('Prologis'), to provide comments on the CIL charging schedule.

Introduction

Prologis is a key stakeholder in the Borough, with existing assets and a strong interest in delivering new industrial logistics space, including intensified and multi-storey development. We are committed to ensuring the proposed CIL Charging Schedule does not undermine the viability or delivery of such schemes, which support both local and strategic planning policy, including London Plan Policy E7.

Prologis objects to the proposed £50 per sqm CIL rate for industrial development, which we consider to be excessive, unsupported by robust viability evidence, and out of step with comparable boroughs. These representations reflect our concern that the current DCS and Viability Study may unintentionally prejudice industrial intensification and investment. We set out recommended amendments consistent with approaches adopted in other London boroughs.

Background

Prologis is one of the UK's leading developers of industrial logistics space, having delivered and managed over 35 million sq ft across 28 'Prologis Parks'. We continue to invest in strategic employment locations, creating high-quality environments for a diverse range of occupiers.

In line with London Plan Policy E7, Prologis is actively focused on industrial intensification, including multi-storey logistics schemes. Drawing on global expertise and extensive UK market research, we are advancing innovative, technically complex designs to optimise limited land in London and meet the growing need for distribution space.

These representations are submitted in the context of our commitment to delivering high-density, employment-generating development. Prologis is aligned with GLA and LBC ambitions for

employment growth and industrial capacity, and we are concerned that unjustifiably high CIL rates could deter this much-needed investment.

Against this backdrop, we have reviewed the Draft Charging Schedule (DCS) and its supporting Viability Study and set out our comments below, separated for clarity between the DCS and the Viability Study.

Comments

LBC Draft Charging Schedule

Prologis's primary concern is the lack of consideration for multi-level industrial development within the DCS. Prologis is concerned that the Draft Charging Schedule (DCS) does not account for the unique characteristics of multi-storey industrial developments. In single-storey schemes, external service yards and access roads are not CIL-liable. However, in multi-storey schemes, the same functional areas when enclosed are counted as Gross Internal Area (GIA) and therefore attract CIL. This approach results in significantly higher CIL charges for multi-storey developments delivering the same amount of operational floorspace as single-storey schemes, undermining their viability and conflicting with London Plan policy, which promotes industrial intensification.

Key issues:

1. **Unfair CIL Treatment for Multi-Storey Industrial**
The current CIL approach penalises intensified forms of industrial development by including ancillary space in GIA. This results in over 40% of floorspace in some schemes attracting unjustified CIL, contrary to the principles of equity and proportionality set out in the NPPG.
2. **Policy Conflict and Viability Risk**
The charging structure is at odds with London Plan Policy E7 and national guidance, which call for differentiated rates that do not unduly impact specialist or strategic forms of development. High CIL rates risk deterring schemes that contribute to London's industrial land objectives.
3. **Established Precedent for Exemption**
Similar concerns raised by Prologis in the OPDC CIL consultation led to a successful amendment exempting enclosed ancillary areas, later adopted by the London Borough of Ealing. We strongly urge Croydon to follow this precedent.

We recommend amending the Charging Schedule to apply a **nil rate** to enclosed service, ramp, and access areas within multi-storey industrial schemes.

Viability Assessment

Prologis has material concerns about the assumptions and typologies used in the Viability Study underpinning the DCS. These include:

1. **Inadequate Typology Selection**
The assessment fails to consider modern multi-storey industrial schemes, despite clear policy

support for such formats. This omission undermines the robustness of the study's conclusions.

2. Non-Compliance with National Guidance

NPPG Paragraph 015 stresses the need for engagement with developers and transparency. It is unclear what consultation has occurred with industrial stakeholders, and Prologis would welcome the opportunity to assist in refining the evidence base.

3. Excessive and Unjustified Charging Rate

The proposed £50 per sqm charge is significantly higher than in surrounding areas. For example:

- OPDC (adopted April 2024): £35/sqm for 'all other uses' (including industrial), despite covering Park Royal, one of London's highest-value industrial areas where rents have reached £35-37 per sq ft.
- Ealing, Brent, Harrow, and Hammersmith & Fulham: £0 to £20/sqm for industrial or equivalent uses.

A rate of £50/sqm—over 40% higher than OPDC appears commercially unviable and unjustified. A revised rate closer to £35/sqm, in line with regional precedent and viability realities, would be more appropriate.

We include below a comparison of rates in nearby boroughs:

Borough	Effective From	Industrial / All Other uses
Hillingdon	August 2014	£5 per sqm (industrial specific)
Hounslow	July 2015	£20 per sqm (all other uses)
Brent	July 2013	£0 per sqm (industrial specific)
Hammersmith and Fulham	April 2015	£0 per sqm (all other uses)
Harrow	October 2013	£0 per sqm (all other uses)

These comparisons highlight that the proposed £50/sqm rate is a significant outlier.

Conclusion and Recommendations

As currently drafted, the DCS and its evidence base are not fit for purpose in relation to industrial development. We respectfully request:

1. A revised CIL Charging Schedule that excludes enclosed service areas, ramps, and access roads in multi-storey industrial schemes.
2. A revised Viability Study that includes appropriate industrial typologies, particularly large-scale and multi-storey logistics formats.
3. A reduced industrial CIL rate, aligned with regional precedent and supported by robust, transparent viability evidence.



Without these changes, there is a serious risk that Croydon's CIL will deter the very forms of industrial development it seeks to encourage.

If you have any questions regarding the above, please do not hesitate to contact me or my colleague Simon Perks.

Yours faithfully

Caroline Musker
Head of Planning UK

E07 DP9 on behalf of Croydon Developments Ltd

DS/MG/DP6078
10 June 2025

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By Email

Dear Sir/Madam

**REPRESENTATION ON THE DRAFT COMMUNITY INFRASTRUCTURE LEVY (CIL)
CHARGING SCHEDULE REVIEW CONSULTATION**

London Borough of Croydon ('LBC') is currently consulting on a Community Infrastructure Levy ('CIL') Draft Charging Schedule. These representations are prepared by DP9 Limited ('DP9') on behalf of our client, Croydon Developments Ltd ('Client') and relate to the Draft Charging Schedule.

Our Client is the freeholder of land to the southeast of Croydon College Green, College Road, Croydon, CR9 1DG ('the Site'), which is currently subject to ongoing pre-application engagement with LBC for a residential-led, mixed-use development ('the Proposed Development'). Our Client is due to submit the planning application in June 2025. Our Client therefore has a keen interest in the direction of the proposed revisions to the CIL Charging Schedule, particularly in relation to rates specific to Croydon Opportunity Area and Croydon Metropolitan Centre.

Whilst this representation is focused on the implications for the Proposed Development, the principle of the concern is also relevant to all other development opportunities across the Croydon Metropolitan Centre.

Our Client is concerned that the Draft Charging Schedule will have a significant adverse impact on the viability and deliverability of the Proposed Development and that it would directly impact the deliverability of the Draft Local Plan.

CIL and Strategic Sites

The Government's published CIL Guidance covers key principles for Charging Authorities to take into account when preparing Charging Schedules. The core emphasis is on striking an appropriate balance between utilising CIL to achieve additional investment to support development and the potential effect on the viability of developments.



Whilst the Guidance explains that a Charging Authority should take an area-based approach, including a broad test of viability, it also notes that Authorities should ensure that a proposed levy compliments plan policies for strategic sites. Further, in this respect, it explains that an approach may include setting specific rates for strategic sites. Low or zero rates may be appropriate where plan policies require significant contributions towards housing or infrastructure through planning obligations and this is evidenced by an assessment of viability.

The Draft Charging Schedule

This representation focuses on the draft CIL rates for residential developments with more than 10 units within the Croydon Metropolitan Centre ('CMC').

The Draft Charging Schedule proposes to change the levy rates for Residential (C3) schemes of 10 or more units within the CMC. The uplift is from a current rate of £0 to £225 per sqm, which represents a 225% increase.

An increase of such significance requires a high-level of scrutiny and care, so as not to adversely impact the viability and deliverability of development which would, in turn, impact the ability to deliver on LBC's policy as set out in the emerging draft Local Plan.

The evidence base informing the Draft Charging Schedule is a Viability Assessment prepared by BNP Paribas. This fails to consider the implications of a significant uplift in rates for C3 uses in the CMC (a 225% increase) on the deliverability of the Proposed Development and other strategic site allocations identified in the draft Local Plan.

The Viability Assessment relies on high-level generic testing of development typologies. It does not consider the site-specific issues which face many developments within the borough. In turn, it does not factor in any actual site-specific viability inputs that would be important for the Council to understand and assess any subsequent deliverability concerns for site allocations (i.e. deliverability concerns for the Draft Local Plan).

Comments and Next Steps

The principal concern of our Client is that the introduction of the proposed CIL rates will adversely impact the deliverability of residential developments within the borough, particularly the Proposed Development and other sites within the CMC. In turn, this could undermine both housing growth in the borough and the ability to deliver on the policy objectives of the Draft Local Plan (as well as the current adopted Local Plan).

Secondly, the Government's CIL Guidance suggests that if the evidence shows that a strategic site has low, very low or zero viability, the Charging Authority should consider setting a low or zero levy rate in that area. The same principle applies where the evidence shows similarly low viability for particular types and/or scales of development. Viability testing of CIL charges within the BNPP report makes overall judgements as to the viability of development within the London Borough of Croydon and does not account for individual site circumstances. The evidence has not taken a careful and considered approach in relation to strategic site allocations, in accordance with the Government's CIL Guidance. It is crucially important that a viability check is undertaken in relation to site allocations that are



considered central to the deliverability of the Council's vision and objectives for LBC (as set out within the Draft Local Plan). Without undertaking this work, LBC is not able to conclude whether the delivery of the Local Plan is undermined by the Draft Charging Schedule, in accordance with the relevant NPPF plan-making tests.

The CIL regulations allow a number of reliefs and exemptions from CIL. Local authorities may elect to offer exceptional circumstances relief on a case-by-case basis, subject to proven viability grounds. Whilst our Client acknowledges there is a potential for exceptional circumstances relief in the future, our Client considers an approach that relies upon the potential future application of CIL exceptional circumstances relief to be inappropriate, creating unnecessary uncertainty. The correct viability approach, including site allocation analysis, must be undertaken first

Summary

We submit these representations on behalf our Client, who are developing Proposals for the redevelopment of the Site, with a planning application due to be submitted in in June 2025.

The proposed changes to the rates within the Draft Charging Schedule would have significant adverse impact on the viability of the Proposed Development, thereby directly impacting on a key objective of the Draft Local Plan.

We trust our comments will be acknowledged in progressing the Draft Charging Schedule, and we would welcome the opportunity to engage further. If you require clarification on any matters, please do not hesitate to contact [REDACTED] of this office.

Yours faithfully,

[REDACTED]

DP9 Ltd.

E08 Network Rail



Network Rail
1 Puddle Dock
London
EC4V 3DS
[Redacted]

Via email: LDF@croydon.gov.uk

18 June 2025

Dear Planning,

NETWORK RAIL RESPONSE TO LONDON BOROUGH OF CROYDON DRAFT CIL CHARGING SCHEDULE 2025

Thank you for providing Network Rail Infrastructure Limited (Network Rail) with the opportunity to comment on the draft CIL Charging Schedule consultation. Network Rail is a statutory undertaker responsible for maintaining, operating and developing the main railway network and its associated estate. Our aim is to protect and enhance the railway infrastructure. The railway network is a vital element of the country's economy and a key component in the drive to deliver the Government's sustainable agenda.

Rail network in Croydon

Croydon is a significant part of the rail network within the southeast providing quick connections into London and to the south coast to Brighton. East Croydon station supports Thameslink services from Brighton through to Bedford/Peterborough via London providing significant connectivity. In addition, services run to London Victoria and London Bridge, Gatwick Airport and other stations on the south coast. Additionally, Norwood Junction and Selhurst straddle the authority boundary, with Selhurst station supporting a significant railway depot. The rail network through Norwood Junction and Selhurst triangle have significant constraints which impact on rail services creating an effective bottleneck that constrains the potential of what is one of the most accessible parts of the country. Significant investment is needed to resolve the bottleneck and the constraints to support a much improved network with more frequent services for the benefit of Croydon and the wider area.

Croydon Infrastructure Delivery Plan (IDP) 2025

Having reviewed the most recently published IDP, Network Rail consider the rail projects included to still be relevant and are supported. The major railway improvements focus on upgrades to the Brighton Main Line to release constraints on the railway including at the aforementioned bottleneck at Norwood Junction. This project requires significant funding however includes some smaller 'oven ready' improvements that could be funded locally, via s106 and/or CIL, and could lead to benefits for passengers more immediately. Network Rail would encourage the Council to continue to collect contributions to fund these more local improvements such as at West and East Croydon stations.

Draft CIL Charging Schedule

Network Rail notes the charges proposed within the schedule. The Viability Report (2024) sets out the recommended charging rates which includes a blanket increase from NIL for all residential development across the Borough. Croydon has seen and continues to see significant residential development both within the Metropolitan Centre and other parts of the Borough. This provides an opportunity to capture CIL contributions that could be spent on delivering key infrastructure such as the previously mentioned railway upgrades. The higher rate for 9 or fewer dwellings could restrict smaller sites from coming forward however and the Council needs to consider the balance to ensure all opportunities to bring forward residential development are explored. It is seen that there is a reasonably accommodating ability for new development within Croydon to absorb the increased CIL and therefore a higher rate for 10 dwellings or more would seem a more consistent approach.

It is Network Rail's view that the Council should utilise a ringfencing mechanism or similar for developer contributions from CIL for transport infrastructure projects, particularly to address rail improvements. These improvements are essential to ensure the railway is upgraded and accessibility to stations is improved to accommodate increasing numbers of people travelling via rail. A high quality railway network is considered to be an essential part of the new Local Plan (currently at Examination in Public) to support growth of Croydon Metropolitan Centre and the rest of the Borough. The required improvements are set out within the IDP 2025 and are reflective of the current position. Network Rail will supply any further information it can to the Council to further details of the projects.

With the IDP being an iterative process and updated annually, Network Rail will continue to provide up-to-date information on projects and other schemes that require funding to support growth in Croydon. Network Rail will continue to work with the Council to achieve improvements to the rail network and its infrastructure for the benefits of residents and businesses within Croydon.

I trust that the above is clear, should you require additional information or to have a meeting to discuss the above then please do not hesitate to contact me.

Kind regards,

Craig Hatton MRTPI
Senior Town Planner

E09 Planning Issues UK on behalf of Churchill Living and McCarthy Stone

Ref: Croydon CIL 2025
Your Ref:

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By Email LDF@croydon.gov.uk

11th June 2025

Dear Sir/Madam,

RE: Croydon CIL Consultation

Comments are submitted on behalf of Churchill Living and McCarthy Stone who combined, provide circa 90% of new housing for older people across the UK each year. The combined experience of the two companies means that they are well placed to advise on policy issues which might negatively impact on the delivery of housing for older people which is described within the National Planning Practice Guidance (NPPG) as a 'critical need' across the country.

We note the council's intention to bring forward a base charge of £225 m2 on all C3 schemes of 10 or more units regardless of typology and regardless of location within Croydon.

Failure to Test Typology

We note that the viability evidence base underpinning the proposals elect not to test the viability of housing for older people.

The NPPG is clear on viability matters that:

Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure).

These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types or location of site or types of development.

See related policy: National Planning Policy Framework [paragraph 34](#)

The NPPG sets out the following in respect of typology testing.

What is meant by a typology approach to viability?

A typology approach is a process plan makers can follow to ensure that they are creating realistic, [deliverable policies](#) based on the type of sites that are likely to come forward for development over the plan period...

Paragraph: 004 Reference ID: 10-004-20190509
Revision date: 09 05 2019 See [previous version](#)

The December 2023 Housing Needs Assessment for Croydon concludes that there is a need for around 2,300 additional housing units with support (sheltered housing) and 1,500 units with care (extra care) over the 2021-2040 period. This equates to 200 units per annum. This equates to broadly 7% of the annual requirement for Croydon under the December 2024 standard method. The provision of housing for older people should form a not insignificant part of the overall housing supply to 2040 in the borough. It is therefore unusual not to consider this typology in its own right in assessing the impact of proposed large CIL rate given that there is a significant identified housing requirement.

In view of the above, we have assessed the viability of the typology through an assessment of a typical retirement living scheme of 40 units. An Argus Developer appraisal is enclosed with the summary inputs and assumptions applied set out within the following table.

Table 1 – Retirement Living Viability Assumptions

Input	Notes
Typology	Retirement Living Scheme 40 units 26/14 1 and 2 bed mix (65/35) 25% non-saleable area included for communal lounge, guest suite and managers office as standard. The testing assumes 35% affordable housing in line with the London Plan 'threshold approach'.
Sales Values	McCarthy Stone Purley Contact Medford House New Homes Development by McCarthy Stone Asking prices 1 beds - £295-395k 2 beds - £425-515k Assumed £400,000 for 1 bed units (over £7,000 m2) and £550,000 for 2 bed units (over £7,000 m2).

	This is towards the upper end of the values achievable according to the study. Retirement Living schemes will typically be located away from the high-rise CMC and historically have been delivered to the south of the borough where values are lower as evidenced above. Affordable Housing values are blended at broadly 40% of OMV or £2,800 m2. The study assumes £2,182 for rented tenures plus intermediate tenures. The assumptions adopted here reflect the impact of some high value intermediate tenures. This is purely hypothetical given that registered providers will not typically wish to purchase in block age restricted units on such a small scale and be exposed to covering higher service charge during void periods.
Build Cost	£2,221 m2 (accessed 15th May 2025) BCIS Supported Housing rebased to Croydon Plus 8% for external works Plus uplifts for M4(3) and BNG as per the BNP Paribas study
Professional Fees	10% of build cost as per study assumptions.
CIL and S106	Assumed local proposed rate and Mayoral CIL plus £10,000 per property for other S106 as set out within the study.
Sales and Marketing Costs	5% of GDV is typical of an age restricted typology. The study allowance of 2.5% is inconsistent with the rate commonly accepted at appeal as part of site-specific negotiations. As an age restricted product with a slow rate of sale, marketing and sales costs are considerably higher than mainstream typologies. See McCarthy Stone Purley and Churchill Living Selsdon for sales rates in next section.

Sales Rate	Current sales rates for this typology are less than one sale per month on average within the region due to product being age restricted and dependent upon wider market for equity release (not mortgage funded). The study assumption of 6 sales per month is not representative of this typology thereby underestimating finance and empty property costs. A rate of 1.3 sales per month is allowed within the Argus appraisal provided which is ambitious given the evidence. The McCarthy Stone scheme at Medford House consists of 26 units and has been selling since October 2023. To date, 8 of the 26 units have sold indicating a rate of sale of less than 0.5 per month. Similarly, the Churchill Living scheme in Selsdon has been selling since 2019 with 15 of the 37 units remaining.
Developer Return	The consistently agreed position is that a developer return no less than 20% on GDV is warranted on schemes for older persons housing given the much slower return (including at appeal as part of the McCarthy Stone development at 6 - 12 Woodcote Valley Road Purley CR8 3AG in 2019. This was also agreed as part of viability discussions at the Churchill Living scheme in Selsdon.
Benchmark Land Value	The council study assigns a minimum benchmark land value of £433,350 to brownfield sites of circa 30 dwellings. We consider this to be closest comparable site given that retirement living schemes can generally achieve higher densities with lower parking provision. This position has been adopted in line with the council's viability testing. However, in practice, due to the locational requirements for this typology, it is likely that BLV would be significantly higher than this.
Residual Land Value with CIL as proposed	-£307,000 Land Value -£740,350 against BLV

Residual Land Value without CIL as proposed	£163,000 Land Value -£270,350 against BLV
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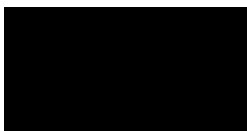
It can be seen from the above that a typical retirement living development does not have the financial headroom to cover affordable housing requirements, sustainability requirements, other local plan expectations in terms of accessibility and a local CIL charge as proposed.

It should be noted that an extra care scheme would include at least 10% additional non saleable floorspace (circa 25-30% of building GIA in total) due to the additional on-site care offering. The viability outcomes for extra care housing tends to be worse than standard sheltered housing as a result.

We therefore request that the viability assessment is re-run to include the older persons housing typology and the correct assumptions regarding viability of specialist housing for older people is used. This would accord with government guidance. This is then likely to show, in line with the Argus modelling we have attached to this response, that specialist housing for older people is not viable with the CIL charge suggested. A CIL exemption should then be applied to proposals which are wholly for housing for older people due to the viability constraints associated with this typology. It is evident based upon the most recent developments by McCarthy Stone (Purley) and Churchill Living (Selsdon) that it is not feasible for this typology to provide both affordable housing and a large CIL payment. Both of these examples agreed a low or a nil off site affordable housing payment following independent assessment.

Thank you for providing the opportunity to comment.

Yours faithfully,



Damien Lynch BSc (Hons) MSc MRICS
Associate Director



Enclosed

Argus Developer appraisals with and without CIL charge.

Croydon CIL Test 40 35% AH

APPRAISAL SUMMARY

CRL

Croydon CIL Test 40 35% AH

Appraisal Summary for Phase 1 Croydon CIL 40 unit scheme

Currency in £

REVENUE

Sales Valuation	Units	m ²	Sales Rate m ²	Unit Price	Gross Sales
1 Beds OM	17	960.67	7,078.39	400,000	6,800,000
2 Beds OM	9	702.00	7,051.28	550,000	4,950,000
1 Beds AH Blended	9	508.59	2,831.36	160,000	1,440,000
2 Beds AH Blended	5	390.00	2,820.51	220,000	1,100,000
Totals	40	2,561.26			14,290,000

NET REALISATION

14,290,000

OUTLAY

ACQUISITION COSTS

Residualised Price (Negative land)	(307,807)	(307,807)
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CONSTRUCTION COSTS

Construction

	m ²	Build Rate m ²	Cost	
1 Beds OM	1,297.68	2,221.00	2,882,140	
2 Beds OM	948.26	2,221.00	2,106,095	
1 Beds AH Blended	687.01	2,221.00	1,525,839	
2 Beds AH Blended	526.81	2,221.00	1,170,053	
Totals	3,459.76 m²		7,684,126	7,684,126

Contingency	5.00%	432,002	432,002
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Other Construction Costs

Externals	8.00%	614,730	
Zero Carbon	3.40%	261,260	
M4(3)	0.94%	72,231	
BNG	0.10%	7,684	
			955,905

Section 106 Costs

CIL	2,245.94 m ²	225.00	505,337	
Section 106 Costs	40.00 un	10,000.00 /un	400,000	
Mayoral CIL	2,245.94 m ²	26.89	60,393	
				965,730

PROFESSIONAL FEES

Professional Fees	10.00%	864,003	864,003
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MARKETING & LETTING

Marketing	3.00%	352,500	352,500
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DISPOSAL FEES

Sales Agent Fee		2.00%	235,000	
Sales Legal Fee	26.00 un	600.00 /un	15,600	
				250,600

MISCELLANEOUS FEES

OM Margin		20.00%	2,350,000	
AH Margin		6.00%	152,400	
				2,502,400

Unsold Unit Fees

1 Beds OM			33,370	
2 Beds OM			13,635	
				47,005

TOTAL COSTS BEFORE FINANCE

13,746,464

FINANCE

Timescale	Duration	Commences
Purchase	1	May 2025
Pre-Construction	6	Jun 2025
Construction	16	Dec 2025
Empty Property Costs	20	Apr 2027

APPRAISAL SUMMARY**CRL****Croydon CIL Test 40 35% AH**

Sale	20	Apr 2027
Total Duration	43	

Debit Rate 7.00%, Credit Rate 1.00% (Nominal)

Land	(29,874)	
Construction	479,760	
Other	93,650	
Total Finance Cost		543,536

TOTAL COSTS	14,290,000
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PROFIT	0
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Performance Measures

Profit on Cost%	0.00%
Profit on GDV%	0.00%

IRR% (without Interest)	7.51%
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Croydon CIL Test 40 35% AH NO CIL

Croydon CIL Test 40 35% AH NO CIL

Appraisal Summary for Phase 1 Croydon CIL 40 unit scheme

Currency in £

REVENUE

Sales Valuation	Units	m ²	Sales Rate m ²	Unit Price	Gross Sales
1 Beds OM	17	960.67	7,078.39	400,000	6,800,000
2 Beds OM	9	702.00	7,051.28	550,000	4,950,000
1 Beds AH Blended	9	508.59	2,831.36	160,000	1,440,000
2 Beds AH Blended	5	390.00	2,820.51	220,000	1,100,000
Totals	40	2,561.26			14,290,000

NET REALISATION

14,290,000

OUTLAY

ACQUISITION COSTS

Residualised Price (0.18 Ha @ 908,591.54 /Hect)		163,546	
			163,546
Agent Fee	1.00%	1,635	
Legal Fee	0.75%	1,227	
			2,862

CONSTRUCTION COSTS

Construction	m ²	Build Rate m ²	Cost	
1 Beds OM	1,297.68	2,221.00	2,882,140	
2 Beds OM	948.26	2,221.00	2,106,095	
1 Beds AH Blended	687.01	2,221.00	1,525,839	
2 Beds AH Blended	526.81	2,221.00	1,170,053	
Totals	3,459.76 m²		7,684,126	
Contingency		5.00%	432,002	
				8,116,128

Other Construction Costs

Externals	8.00%	614,730	
Zero Carbon	3.40%	261,260	
M4(3)	0.94%	72,231	
BNG	0.10%	7,684	
			955,905

Section 106 Costs

Section 106 Costs	40.00 un	10,000.00 /un	400,000	
Mayoral CIL	2,245.94 m ²	26.89	60,393	
				460,393

PROFESSIONAL FEES

Professional Fees	10.00%	864,003	
			864,003

MARKETING & LETTING

Marketing	3.00%	352,500	
			352,500

DISPOSAL FEES

Sales Agent Fee		2.00%	235,000	
Sales Legal Fee	26.00 un	600.00 /un	15,600	
				250,600

MISCELLANEOUS FEES

OM Margin		20.00%	2,350,000	
AH Margin		6.00%	152,400	
				2,502,400

Unsold Unit Fees

1 Beds OM			33,370	
2 Beds OM			13,635	
				47,005

TOTAL COSTS BEFORE FINANCE

13,715,343

FINANCE

Timescale	Duration	Commences
Purchase	1	May 2025
Pre-Construction	6	Jun 2025
Construction	16	Dec 2025
Empty Property Costs	20	Apr 2027

APPRAISAL SUMMARY**CRL****Croydon CIL Test 40 35% AH NO CIL**

Sale	20	Apr 2027
Total Duration	43	

Debit Rate 7.00%, Credit Rate 1.00% (Nominal)

Land	22,589	
Construction	458,420	
Other	93,648	
Total Finance Cost		574,657

TOTAL COSTS	14,290,000
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PROFIT	0
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Performance Measures

Profit on Cost%	0.00%
Profit on GDV%	0.00%

IRR% (without Interest)	7.33%
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E10 DP9 on behalf of SKM Croydon Limited and KS Croydon Limited (Norfolk House)

JHM/NR/DP6837

11th June 2025

**Spatial Planning Team
Croydon Council
Bernard Weatherill House
8 Mint Walk
Croydon
CR0 1EA**

By email to: ldf@croydon.gov.uk

Dear Spatial Planning Team,

CROYDON COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE

These representations, prepared by DP9 Limited on behalf of SKM Croydon Limited and KS Croydon Limited, relate to the Draft Community Infrastructure Levy ("CIL") Charging Schedule and focus on its implications for the future redevelopment of the site known as Norfolk House.

Norfolk House and Site Allocation

Norfolk House is "Site 950" in the current and emerging Local Plan. Our client has acquired the site and instructed a professional team of advisors to consider the development opportunity. We are currently in early pre-application discussions with the Council.

Norfolk House is a major development site within the Croydon Opportunity Area and within the Croydon Metropolitan Centre which could play a crucial role in realising the vision and objectives set out within the Local Plan in terms of housing delivery.

Policy SP1 of the emerging Local Plan sets down a strategic need to deliver a minimum of 34,145 new homes over the plan period, with at least 14,500 new homes in the Croydon Opportunity Area.

The professional team is currently tasked with designing a viable scheme whilst balancing the desire within the emerging Site Allocation to retain the locally listed building. The current pre-application scheme, which has evolved through discussions with officers, retains the most historically significant part of the building, and the façade around the site, and generates the capacity for c. 700 homes.



Realising the Council's preferences for the retention of the building as stipulated within the emerging Site Allocation means that there are substantial abnormal development costs. For example, retaining and upgrading the façade (including new thermal insulation and glazing to bring it in line with current regulations) equates to an extra cost of at least £10m compared with a demolish and rebuild option.

There are also other development costs associated with the proposed development including costs arising from existing regulatory requirements and costs arising from planning policies (particularly on affordable housing).

National CIL Guidance

The National Planning Practice Guidance contains guidance for Charging Authorities when setting CIL rates. This stresses the need to strike an appropriate balance between utilising CIL to achieve additional investment and the potential effect on the viability of developments.

The guidance encourages Charging Authorities to sample an appropriate range of sites across its area and that the sampling exercise should provide a robust evidence base about the potential effects of the rates proposed.

The guidance highlights that Charging Authorities should take development costs into account when setting levy rates, particularly those likely to be incurred on strategic sites or brownfield land. This may include setting specific rates for strategic sites including low or zero rates where Development Plan policies require significant contributions towards housing or infrastructure through planning obligations.

The Draft CIL Charging Schedule and Evidence Base

The Council's Draft CIL Charging Schedule proposes an uplift from a £nil rate to £225 per sqm for residential development within the Croydon Metropolitan Centre. A rate of £225 per sqm has not to date been factored into the viability of the development and it would have substantial consequences for the delivery of this important site and its ability to deliver affordable housing. This is an abnormal increase at a time when the residential market in London and Croydon in particular, is very challenging. Our client is concerned that the Draft CIL Charging Schedule will have an adverse impact on the viability and deliverability of this key site.

The evidence base informing the Draft CIL Charging Schedule is a 'CIL Viability Review' (March 2024) prepared by BNP Paribas. This document fails to consider the implications of the significant proposed uplift in rates for residential uses on the deliverability of important strategic sites such as Norfolk House (or any other major Site Allocations identified in the Local Plan).

The evidence base is inappropriately broad for conclusions to be drawn as to the effect of the proposed CIL rates on major sites such as Norfolk House. The BNP Paribas CIL Viability Review is an area wide study which makes overall judgements as to viability of development within



the London Borough of Croydon. It has tested 65 generic development typologies. Examples include: “Typology 16: development of c. 100 flats (brownfield)”, “Typology 31: large mixed-use office and residential (new build)” and “Typology 33: residential conversion of large, listed building”. Whilst some of these typologies reflect the characteristics of the proposed development at Norfolk House, they cannot reflect the specific nuances.

Our view is that the Draft Charging Schedule should be informed by proactive site-specific testing of major sites to check if differential rates should be associated with any of the Site Allocations, rather than leaving the detailed viability analysis to take place through the development management process. If this is not undertaken, there is a real risk that sites like Norfolk House will be undeliverable, undermining the Council’s Local Plan.

Additionally, the BNP Paribas CIL Viability Review excludes consideration of the impact of exceptional costs and only factors in a blanket average level of undefined abnormal costs. As mentioned, the development of Norfolk House will encounter specific abnormal costs over and above standard build costs and this is not reflected within the assumptions made by BNP Paribas.

Given the capacity to absorb CIL contributions declines as the percentage of affordable housing increases and vice versa, if the Council progresses with adoption of the Draft CIL Charging Schedule, then it will significantly diminish the level of affordable housing that can be accommodated within the scheme, which will in turn have an adverse impact on the Council achieving its housing delivery targets.

Next Steps

Our client is concerned that the introduction of the proposed charging rates for residential uses will unintentionally and adversely impact the deliverability of Norfolk House.

Whilst it is accepted that viability testing of CIL charges contains a degree of assumption, it is not accepted that this obviates the need to take a careful and considered approach in relation to major Site Allocations, in accordance with national CIL guidance. It is crucially important that a viability check is undertaken in relation to Site Allocations like Norfolk House that materially contribute to the delivery of the Council’s policy targets for residential delivery.

The Council currently offers no CIL Exceptional Circumstances Relief which may be drawn upon at application stage, further compounding our clients concerns about the Draft CIL Charging Schedule.



Our client requests a meeting to discuss the above with the Council and recommends exploring the potential of a differential rate for this site.

Yours sincerely,



DP9 Ltd

E11 Transport for London



London Borough of Croydon
Spatial Planning,
3rd Floor Zone C,
Bernard Weatherill House,
8 Mint Walk,
Croydon,
CR0 1EA.

Transport for London
City Planning
5 Endeavour Square
Westfield Avenue
Stratford
London E20 1JN

Phone 020 7222 5600
www.tfl.gov.uk

By email: ldf@croydon.gov.uk

11 June 2025

Dear Spatial Planning Team,

Re: LB Croydon Community Infrastructure Levy (CIL) Charging Schedule Review

Please note that these comments represent the views of Transport for London (TfL) officers and are made entirely on a "without prejudice" basis. They should not be taken to represent an indication of any subsequent Mayoral decision in relation to this matter. The comments are made from TfL's role as a transport operator and highway authority in the area. These comments also do not necessarily represent the views of the Greater London Authority (GLA). A separate response may be submitted by TfL Places for London (TfL Property) to reflect TfL's interests as a landowner and potential developer.

Thank you for giving Transport for London (TfL) Spatial Planning the opportunity to comment on the LB Croydon CIL Draft Charging Schedule Review and accompanying supporting documents.

TfL is generally supportive of the review to CIL charges in LB Croydon. We recognise the value of CIL in delivering vital infrastructure across London and reviewing a CIL charging schedule can help keep rates up to date and increase the value of CIL, enabling further infrastructure provision. However, it is important that these changes are well justified, and do not adversely affect development viability, which could in turn impact development activity and thus CIL income.

We are pleased to see that the viability appraisal considers the existing Mayoral CIL (MCIL) charge, and that this includes the MCIL2 rate of £25 per square metre applicable to CIL liable development in LB Croydon. However, paragraphs 1.7 (second bullet) and 4.21 provide the MCIL2 indexed rate for 2023 (£26.89psm) and not the rate applicable at the time of the viability appraisal in 2024 (£28.86psm).

MCIL is vital to deliver strategic transport infrastructure in London, with MCIL receipts (alongside the Business Rate Supplement) helping to repay Crossrail (Elizabeth line) financing for the foreseeable future. By the 31 March 2023¹, the Crossrail debt amounted to c.£4.3 billion. It is anticipated that the Crossrail debt will be repaid in the late 2030s to early 2040s. As such, references in paragraph 2.38 to the application of MCIL receipts to Crossrail 2 should be updated.

We are also pleased to see that the residual Section 106 costs in the appraisal assumptions (paragraph 4.26) are set at a sensible level (£10,000 per unit for residential developments and £25psm for non-residential development).

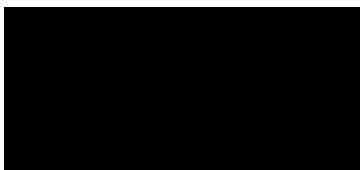
Notwithstanding, the viability appraisal does not consider the forthcoming Building Safety Levy (BSL) and the potential implications of this as a developer cost. On 24 March 2025 (post viability appraisal), MHCLG published the BSL borough wide rates, as part of the BSL: Technical consultation. While some developments are exempt, the following borough-wide rates apply to non-previously developed land (£52.03psm) and previously developed land (£26.01psm) in LB Croydon from Autumn 2026. It is therefore suggested that the viability appraisal is updated to consider the implications of this additional developer cost.

In addition to the above, we have several detailed comments and suggestions relating to the Infrastructure Delivery Plan that are included in Appendix A.

Meanwhile, we would be grateful if you could note our request to be notified when you submit your charging schedule for examination, the publication of the recommendations of the examiner and approval of the charging schedule.

If you wish to discuss any aspect of this response, please do not hesitate to contact me.

Yours faithfully,

A large black rectangular redaction box covering the signature area.

¹ Paragraph 1.9, MCIL 2022 Biennial Review. <https://www.london.gov.uk/sites/default/files/2023-10/MCIL%20Biennial%20Review%202022%20-%20FINAL.pdf>

Josephine Vos
Manager,
London Plan and Planning Obligations Team,
Spatial Planning





Appendix A: LB Croydon Infrastructure Delivery Plan (IDP) 2025 – detailed comments and suggested amendments

Section	Comment/suggested amendment
General – Strategic Transport Infrastructure	The investments proposed to Major Regional Infrastructure, for example, Metroisation and Croydon Area Remodelling Scheme (CARS) will require significant commitment of central government funding if they are to progress, and this should be reflected in the IDP text and accompanying schedules.
Omissions - Major Regional Infrastructure, P21	Given the strategic importance of the CARS project, the scheme should be explicitly mentioned under Major Regional Infrastructure (P21). It is also suggested that the IDP refers to the Gatwick airport expansion in the context of potential opportunities for growth and implications for the transport network, for example, the expansion could potentially strengthen the case for the CARS scheme.
Major Regional Infrastructure, P21, 4th bullet; and P22, 4th paragraph	Some of the stations proposed for further accessibility improvements, namely Thornton Heath, Purley, West Croydon and Kenley, already have step-free access (SFA) to platforms. Further investment in accessibility measures at these stations is unlikely to be prioritised as such investment is generally focused where there is no SFA. If further improvements are to be delivered at these stations, this will be heavily dependent on third party funding from developers and potentially Croydon CIL.
Major Regional Infrastructure, P21, 5th bullet	The reference to proposed improvements at Norwood Junction station could also include passenger capacity.
Transport Infrastructure: Strategic Transport Programmes, P21 and P22	Across pages 21 and 22, more prominence could be given to trams, especially renewing the network to ensure reliable operations, including renewal of the tram fleet and/or other tram infrastructure renewals. In addition, tram enhancements such as Wandle Park flyover doubling, and a 4-platform tram stop at East Croydon could potentially unlock future housing capacity. In addition, the paragraph on page 22 relating to the tram network could highlight the impact of ageing assets on reliability and ridership.

Transport Infrastructure: Strategic Transport Programmes, P22, 4 th paragraph, third sentence	At Selhurst station all platforms have SFA which can be accessed from the station entrance. As such, clarification of the descriptor sub-optimal would be useful.
Transport Infrastructure: Strategic Transport Programmes, P22, 6 th paragraph	Specifying what types of investment, you are considering when you write ' <i>Investment in the road network can support a mode shift from private car to sustainable modes of transport and is also essential to enable good growth in Croydon</i> ' would also be useful.
Transport Infrastructure: Strategic Transport Programmes, P24, 6 th paragraph	This paragraph refers to ' <i>Building on the feasibility study for West Croydon Station in 2019 and the stabilisation of passenger demand following the COVID-19 pandemic</i> '. Reference to stabilisation could be strengthened by including text on the recovery of demand from the pandemic and consideration of future demand. It could also be broadened out to beyond West Croydon station and could refer to growth in the wider southeast that will put pressure on services arriving at Croydon stations.
PI21, Transport Schedule	The Transport Schedule could be strengthened by including tram network renewals, including the replacement of trams with new vehicles.
General – Bus Action Plan and Bus Priority.	We welcome the opportunity to work with LB Croydon to deliver the Bus Action Plan (BAP), which sets out five themes: • <u>An inclusive customer experience</u> - A modern, relevant bus network that allows for spontaneous, independent travel, including improved customer information and bus station refurbishment; with actions including upgrading more existing bus stops to meet the wheelchair accessible standard. • <u>Improved safety and security</u> - A safe, secure bus network, with no one killed on or by a bus by 2030, and with all elements of the Bus Safety Standard implemented by 2024; and ensuring all customers and staff feel confident on the bus network travelling day and night, including through improved bus driver training • <u>Faster journeys</u> - a faster and more efficient bus network, with journeys 10 per cent quicker than in 2015, with initiatives including the aim to introduce 25km of new and improved bus lanes by 2025. • <u>Better connections</u> - a bus network better suited to longer trips with better interchanges, especially in outer London; and ensuring London residents remain close to a bus stop. • <u>Decarbonisation and climate resilience</u> - a zero-emission bus fleet to tackle climate change and improve air quality, working with operators, boroughs and suppliers to reduce the cost and difficulty of infrastructure

	upgrades needed to enable the transition of the bus fleet; and safeguarding the network from extreme weather conditions. We also welcome references to bus priority in the IDP. Buses are a highly efficient use of road space in accommodating additional development demand on the highway network. However, bus priority needs to be supported through infrastructure including bus standing to ensure there is capacity to run any new or enhanced services. On delivering bus priority there is a link between bus journey times/reliability and passenger demand (reference: Prof-David-Begg-The-Impact-of-Congestion-on-Bus-Passengers-Digital-FINAL.pdf). There is also a clear correlation between declining bus demand and deteriorating average bus speeds, with research showing that a ten per cent increase in journey times can, on its own, lead to a six per cent fall in bus demand. Many of these journeys will instead be made by car or not be made at all, both bad outcomes for local economies. In 2023, LB Croydon had some outline drawings for Bus Priority in several locations that were developed with Conway including Wellesley Road/Hogarth Crescent and Brigstock Road. Neil Benson, NeilBenson@tfl.gov.uk would be grateful for an update on this, and to establish if any further work has been done on these projects and whether they are still in LB Croydon's thinking.
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E12 Quod on behalf of URW

Part A – personal details
1. First Name
Tony
2. Surname
Gallagher
3. Email Address
[REDACTED]
4. Address Line 1
21 Soho Square
5. Address Line 2
6. City Town
London
7. Postcode
W1D 3QP
8. Telephone number
[REDACTED]
9. Are you an agent representing a client or organisation (YES/NO)
10. Client or organisation name
Unibail-Rodamco-Westfield (URW)
11. Agent name
Quod
12. By completing and submitting this form I agree to my name, name of organisation, and representations being made available to the independent Examiner for public inspection, and that my data will be held and processed as detailed above, in accordance with the council's privacy notice:
Yes, I agree

Part B – Your representation

13. Do you support the proposed Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule

NO

14. Please explain the reason(s) for your response

URW has reviewed the Draft CIL Charging Schedule and the supporting BNPP Study.

The need for the redevelopment/refurbishment of the Site and the associated transformational change for the town centre is recognised in adopted and emerging planning policy. This is further outlined in pages 1-5 of our supporting statement.

Given its strategic importance and the significant nature of the abnormal costs associated with its redevelopment, the Site should be subject to a site-specific viability assessment as part of the CIL rate setting process. This will demonstrate that only a CIL rate of Nil would be appropriate.

15. Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence?

NO

16. Please explain the reason(s) for your response

The answer should be read alongside our supporting statement and our answer to Question 20.

The NPPF and PPG sets out how Local Authorities should use proportionate financial viability evidence to support local plan policy requirements and CIL charging schedule rates. It expands on the statutory requirements set out in the Town and Country Planning Act (1990), Planning Act (2008), Localism Act (2011) and CIL Regulations (2010) as amended.

In respect of local plans, the NPPF and PPG confirms in setting local policy requirements and site allocations, an authority must:

- Ensure the plan is 'justified' (based on proportionate evidence) and 'effective' (deliverable over the plan period) (NPPF Paragraph 36);
- Be informed by a proportionate assessment of viability (Paragraph 001 Ref ID: 10-001-20190509); and
- Use a viability assessment to ensure that policies and allocations are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan (Paragraph 002 Ref ID: 10-002-20190509).

With regards setting CIL levy rates, the PPG confirms an authority:

- Must strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments [...] charging authorities (Paragraph: 010 Reference ID: 25-010-20190901);
- Should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area (Paragraph 010 Ref ID: 25-010-20190901);

- Is allowed to apply differential rates in a flexible way, to help ensure the viability of development is not put at risk. (Paragraph 022 Ref ID: 25-022-20230104);
- Where evidence shows that the area includes a zone, which could be a strategic site, which has low, very low or zero viability, should consider setting a low or zero levy rate in that area. The same principle should apply where the evidence shows similarly low viability for particular types and/or scales of development. (Paragraph 022 Ref ID: 25-022-20230104); and
- Must use 'appropriate available evidence' (as defined in the section 211(7A) of the Planning Act 2008) to inform the preparation of their draft charging schedule. (Paragraph 020 Ref ID: 25-020-20190901).

The charging authority should adhere to this practice, characterised principally by transparent evidence-based assessments in consideration of Local Plan objectives, when setting out its proposed rates. Fundamentally it should:

- Strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments.
- Show how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.
- Be consistent with, and support the implementation of, up-to-date relevant plans.
- Ensure they are informed by a proportionate assessment of available viability evidence.

As currently drafted the CIL Viability Study does not do this.

Section 2 of the attached supporting statement outlines the existing Site uses and layout, the complexity of which makes this Site unique. Section 4 outlines the specific policy objectives and design requirements that again demonstrate the uniqueness of the Site.

The policy framework recognises that fundamental transformation is required, but as indicated above this has been a prevailing objective of the Council for circa 25 years that is yet to be fulfilled, primarily due to the Site's complexity and associated viability challenges with the Site.

Development in this location has substantial and significant constraints including:

- A complex pattern of large, existing in many cases outmoded buildings.
- The existing Whitgift Shopping Centre basement is structurally highly complex, a result of multiple phases of development over many years.
- The extensive basement complex is c.8m below Wellesley Road, with large retaining walls forming the perimeter, and a series of inner retaining walls managing the level changes within the basement.
- A large servicing route, currently for HGVs servicing the Centre, runs north-south with access/egress ramps on Poplar Walk (north) and Wellesley Road (south).

- The existing basement layout will influence the placement of above-ground buildings, services and spaces above, especially where the basement supports structures above. Consideration needs to be given to embodied carbon of the existing basement, as well as the huge investment in an above structure which is very expensive to create.
- Large areas of the existing buildings above ground are likely to require significant alteration and/or demolition, in order to achieve a more permeable, public network of streets and spaces.
- Development will need to be sequenced to account for a phased occupation with impacts on construction cost. This includes the highly complex nature of developing above, and on the site of, retained elements of the Existing structures and substructures on site.
- The extensive network of basement areas and differing levels which add considerable abnormal cost and technical construction challenges.
- The development will need to bear the significant costs of infrastructure that serve a much wider community and need than the Site alone.

Any redevelopment of the Site will need to address these significant issues and significant abnormal costs that will be associated with them – which are addressed further in Section 7 of the attached statement and below in Question 20.

17. Do you consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

NO

18. Please explain the reason(s) for your response

Please see our answer to Questions 16 and 20.

19. Is your representation seeking a modification to the CIL Draft Charging Schedule?

YES

20. Please outline your suggested modification(s) and reasons for your response

The proposed amends to the rates (per sqm) for the CMC within the Draft CIL Charging Schedule are as follows:

- Residential (Class C3) over 10 units from £0 to £225;
- Residential (Class C3) of 9 units or less from £0 to £300;
- Student housing from £0 to £225; and
- Care homes (Class C2) from £0 to £204.89;

There are no changes from the indexed 2013 rates for the other uses identified.

The supporting Viability Study states that, since the evidence base for the adopted CIL was prepared, there have been increases to sales values and build costs. BNPP's testing of alternative CIL rates, based on typologies, indicates that relatively significant changes could be accommodated without adversely impacting on viability to a sufficient degree to impact on land supply.

It is evident from a review of the Study that none of the typologies tested in the study are reflective of the scale of the potential development proposed by URW i.e. c.3,000 residential units in a complex setting.

The proposed URW scheme is subject to significant abnormal constraints/asks which have been listed above (and which we could provide more detail on as required).

The two largest typologies tested are No. 35 (Large private rental scheme development (new build)) and No. 37 (Tall tower with ground floor retail (new build)) which each comprise around 400 units. Neither are comparable to the redevelopment of the Site.

Firstly, the abnormal costs listed in 7.8 would not be comparable to straightforward standalone development plots, such as a former surface level car park or the site of a redundant building, which are presumed to be the basis of the typologies tested in the Study.

The extent of abnormal cost that will need to be carried by the scheme (based on the latest cost estimates) is in the order of £295m before consideration of cost inflation, which roughly comprise:

- Enabling and demolition works – £60m
- Utilities, diversions and drainage, including on-costs – £90m
- Off-site works and public realm and highways – £50m
- Site wide ancillary costs predominantly associated with dealing with the extensive existing Whitgift shopping centre basement areas which are unique to the scheme - £60m
- Other allowances for transfer structures, sustainability and below ground costs - £35m
- Total - £295m. This is a “Day 1” cost before inflation, and on top of this there would be associated professional fees, Development Management fees, contingency and phasing allowances.

The impact of these enabling and abnormal costs on scheme viability is fundamental given the already-marginal prevailing cost/value dynamics in Croydon, which URW's consultants have been regularly monitoring.

Secondly, even without reflecting these site specific considerations, these typologies are shown in the Study as being two of the least viable of the typologies tested, realising negative residual land values even in testing the highest level of sales value and lowest affordable housing contribution.

It is only when value growth and public funding for infrastructure is introduced that these typologies present as marginal or viable, with this only being at the highest level of sales value tested and lowest levels of affordable housing (5% and nil). The Study concludes that the increase in CIL rates will have a modest impact in “most cases” and a “modest impact on affordable housing levels that can be delivered” however this is clearly not the case for this Site.

To evidence this, Cushman and Wakefield (acting on behalf of URW) have appraised the difference in base value, base cost and abnormals assumptions in the Study compared to the current options appraisals for the Site.

The conclusion of this exercise is that the most relevant and comparable typologies in the Study are deemed unviable in virtually every scenario relating to values, growth and level of affordable housing in the Study. This relates to the following issues:

- The value assumptions are at the top end of what is currently considered achievable.
- There is a significant difference in the base build cost rate that has been applied, even after considering the 5% and 10% additions in the CIL study for net zero and externals respectively
- As outlined above, the Study does not consider site specific abnormal costs, which amount to c. £295m. This reflects around £83 per sq. ft. against the total scheme GIA (excluding Alders).

all amounts as £ per sq. ft.	Max from CIL Study - Non CMC	Max from CIL Study - CMC	URW Scheme Scenario 1 ¹	URW Scheme Scenario 2 ²
Sales Value (Day 1) per sq. ft.				
³ NIA	£700	£700	£785	£725
Net to Gross Efficiency	75%	75%	69%	68%
GDV (per sq. ft. GIA)	£525	£525	£542	£493
Base Build Cost per sq. ft. GIA	£223	£258	£335	£335
CIL Study Net Zero at 5%	£11	£13		
CIL Study Externals at 10%	£22	£26		
Abnormals	£0	£0	£83	£83
Professional Fees at 10%	£26	£30	£42	£42
Contingency at 8% ⁴	£21	£24	£33	£33
Sales Fees ⁵	£14	£14	£15	£7
Total Above Costs	£317	£364	£509	£501
Developer Profit at say 17.50% on GDV⁶	£92	£92	£95	£86
GDV less Costs and Profit (per sq. ft.)	£116	£69	-£62	-£94

¹ URW scenarios are assessed prior to any allowance for land acquisition or other planning costs such as affordable housing”

² URW scenarios are assessed prior to any allowance for land acquisition or other planning costs such as affordable housing”

³ This is considered the top end of achievable

⁴ It is unclear what rate has been applied in CIL study. 8% adopted on a high level basis reflective of scheme risk.

⁵ CIL study assumption of 2.75% of GDV adopted on a high level basis. 1.50% assumed for BTR.

⁶ CIL study adopts 17.50% on GDV - adopted for comparison purposes

Given that abnormal costs are entirely site specific by their nature, it is understandable that these are not allowed for in the Study. This is reiterated in multiple sections of the report including Paragraph 4.32 where it is stated that in the absence of detailed site investigations *“it is not possible to provide a reasonable estimate of what exceptional costs might be. Our analysis therefore excludes exceptional costs, as to apply a blanket allowance would generate misleading results”*.

Paragraph 7.16 pertinently highlights that *“there may be instances when viability issues emerge on individual developments, even when the land has been purchased at an appropriate price (e.g. due to extensive decontamination requirements). In these cases, some flexibility may be required subject to submission of a robust site-specific viability assessment”*.

Paragraph 2.4 states that the Study is area-wide and *“does not account for individual site circumstances”* and *“should not be relied upon for individual site applications”*. This paragraph goes on to say that *“scheme specific testing may still be required at the point where they come forward”*. At that stage, however, CIL rates would be fixed, and other matters (including affordable housing and other infrastructure investment) would have to adjust, or the deliverability of the development would be at risk.

This is also referenced at Paragraph 1.6 which states that *“Some sites may require more detailed viability analysis when they come forward through the development management process due to specific site circumstances that cannot be reflected in an area wide assessment”*, with this following the Local Housing Delivery Group Guidance ‘Viability Testing and Local Plans: Advice for Planning Practitioners’.

This Site should therefore be subject to its own assessment of viability to inform the appropriate CIL rates.

A site specific viability appraisal should be undertaken where it is known that there is a specific scheme that is not reflected by the typologies tested, and there are several references to this point throughout the Study. This is fundamental in the case of the Site which is relied upon for the delivery of the Local Plan, both in terms of the Local Plan’s housing numbers, but more broadly the economic and placemaking regeneration and catalytic effect that redevelopment will have.

There is a clear case that the viability is such that the redevelopment of the Site cannot sustain the proposed draft CIL charge and puts at risk this vital project for the vitality and vibrancy of the town centre.

URW would be happy to share the relevant viability information relating to the redevelopment of the Site to assist the Council and BNPP as part of their analysis.

21. Do you wish to participate in the examination hearing session(s)?

YES

22. Please outline why you consider this to be necessary

At this stage, Quod and URW would like to reserve the right to appear at the public examination of the CIL Charging Schedule.

We also welcome further discussion with LBC officers on the content of this submission and if there is further evidence we can provide to support further viability review we would be happy to consider that.

If you would like further evidence from us, or intend, as we request, to undertake a site specific appraisal for this site which will need to be published, it would be helpful to understand your process and timescales for that going forward.

Reasons

URW controls significant land holdings within the heart of Croydon Metropolitan Centre ("CMC"), which include the Whitgift Shopping Centre, former Alders department store, a number of vacant office buildings including Green Park House, Centrale Shopping Centre and associated car parking (c.3,000 spaces) (here after referred to as the "Site"), and multiple other high-street properties. The Site has been identified as forming part of the Croydon Opportunity Area ("OA") – a significant location with development capacity that will deliver high commercial and residential growth – within the London Plan for over two decades.

The Site is located within the North End Quarter ("NEQ") and is identified for significant transformation within the emerging Local Plan. Please see a plan below at Figure 1 which shows URW's ownership within the NEQ.

Figure 1 NEQ Boundary and URW Ownership



In 2019 the Mayor of London referred to the redevelopment of this Site as a “*key scheme for Croydon’s transformation*” and, in his CPO report to the Secretary of State, the Inspector stated, “*there is a clear recognition that the scheme is critical to Croydon’s future.*” The Inspector went on to state that the “*scheme was characterised as a ‘game changer’ in the regeneration of the town centre, another important point supporting confirmation which was not contradicted by any objector.*” The Inspector also noted that “*A town centre symbolizes how a place is perceived. Until its town centre is transformed, negative perceptions of Croydon will remain, and it will not be able to meet its wider objectives as a result.*”

Given its strategic importance and the significant nature of the abnormal costs associated with its redevelopment, the Site should be subject to a site-specific viability assessment as part of the CIL rate setting process. This will demonstrate that only a

CIL rate of Nil would be appropriate and we would like to be able to represent and evidence this view at the EiP.

23. Do you wish to be notified at future stages of the CIL Charging Schedule Review?

YES

24. Upload an attachment to support your representation

Please see attached supporting statement.



Croydon Draft Community Infrastructure Levy – Representations Submitted On Behalf Of Unibail-Rodamco-Westfield

SUPPORTING STATEMENT

1 Introduction

- 1.1 We are instructed by our client, Unibail-Rodamco-Westfield ('URW'), to make representations to the London Borough of Croydon's ('LBC') Draft Community Infrastructure Levy ('CIL') Charging Schedule.
- 1.1 URW is the sole owner of Croydon Limited Partnership which in turn owns the Centrale Shopping Centre and Whitgift Limited Partnership which is the land-holding entity of the Whitgift Shopping Centre headlease, and leases and freeholds within Alders, Green Park House and high street fronting properties in the town centre.
- 1.2 At this stage, Quod and URW would like to reserve the right to appear at the public examination of the Draft CIL Charging Schedule. We also welcome further discussion with LBC officers on the content of this submission and if there is further evidence we can provide to support a further viability review we would be happy to consider that.
- 1.3 URW controls significant land holdings within the heart of Croydon Metropolitan Centre ("CMC"), which include the Whitgift Shopping Centre, former Alders department store, a number of vacant office buildings including Green Park House, Centrale Shopping Centre and associated car parking (c.3,000 spaces) (here after referred to as the "Site"), and multiple other high-street properties. The Site has been identified as forming part of the Croydon Opportunity Area ("OA") – a significant location with development capacity that will deliver high commercial and residential growth – within the London Plan for over two decades.
- 1.4 The Site is located with the North End Quarter ("NEQ") and is identified for significant transformation within the emerging Local Plan. Please see a plan below at Figure 1 which shows URW's ownership within the NEQ.



Figure 1 NEQ Boundary and URW Ownership



- 1.5 In 2019 the Mayor of London referred to the redevelopment of this Site as a “*key scheme for Croydon’s transformation*” and, in his CPO report to the Secretary of State, the Inspector stated, “*there is a clear recognition that the scheme is critical to Croydon’s future.*” The Inspector went on to state that the “*scheme was characterised as a ‘game changer’ in the regeneration of the town centre, another important point supporting confirmation which was not contradicted by any objector.*” The Inspector also noted that “*A town centre symbolizes how a place is perceived. Until its town centre is transformed, negative perceptions of Croydon will remain, and it will not be able to meet its wider objectives as a result.*”
- 1.6 URW is the freeholder of Centrale Shopping Centre and various North End properties and parts of Alders. It is the long leaseholder of the Whitgift Shopping Centre, Green Park House and the remaining parts of Alders, under the freehold of John Whitgift Foundation. URW and John Whitgift Foundation are therefore jointly the predominant landowners within the NEQ. This provides a unique opportunity to drive the transformation forward.
- 1.7 The transformation of the Site offers a bold opportunity to at long last build on the town’s unique character and spirit through the creation of a vibrant and distinctive mixed-use destination; one that celebrates the heritage and culture of Croydon.
- 1.8 Croydon Limited Partnership (‘CLP’), a joint venture between URW and Hammerson, received outline planning permission (Ref No 12/02542/P and 16/05418/OUT) in 2014 and 2018 for the retail-led redevelopment of the Whitgift Shopping Centre and surrounding lands. The proposals had viability issues and following their consent, the retail market underwent fundamental and seismic changes, exacerbated by the COVID-19 pandemic. As a result, these planning permissions were not implemented and have now expired.
- 1.9 In early 2023 URW acquired Hammerson’s share of CLP. Since then, URW has positively engaged with LBC in discussing the residential-led mixed-use development potential of the



Site. This has included the collaborative preparation of the Masterplan Framework with LBC, which guides development within Site and the refinement of the emerging Local Plan policies.

- 1.10 We have reviewed the Draft CIL Charging Schedule and supporting Croydon CIL Viability Study (March 2024) (hereafter ‘the Study’) prepared by BNP Paribas (‘BNPP’). As evidenced in the following sections, it is necessary for the redevelopment/refurbishment of the Site to have a CIL rating of nil to ensure the delivery of this critical project for the town centre.
- 1.11 These representations set out the factual background to the Site (a description of the Site and surroundings and planning history) and the key planning policy context, summarise the Masterplan Framework, and identify the unique nature of the Site, before turning to the CIL guidance and why the CIL rate for the Site should be nil. The representations also identify infrastructure which should be included within the Infrastructure Development Plan.

2 Factual Background

Site and Surroundings

- 2.1 Historically, the area has been a thriving destination representing all that is uniquely Croydon – a place of creativity and innovation, with a strong community focus and civic nature, reflected in its historic buildings and streets.
- 2.2 However, today much of the area feels tired and does not offer occupiers or shoppers the type of experience or accommodation that they expect. Croydon has the highest proportion of vacant retail floorspace of any Metropolitan Centre within London.
- 2.3 Whitgift Shopping Centre comprises two retail floors above a basement, developed in two phases in 1968 and 1970. Before Westfield London opened in 2008, it was Greater London’s largest covered shopping centre. Anchored by Marks & Spencer, the retail offer includes a range of uses from fashion, cosmetics and furnishing to food outlets. However, there are a large number of vacant units, and the floorspace does not meet modern retailers’ needs.
- 2.4 Although key pedestrian access points are from North End (west), Chapel Walk (north), Wellesley Road (east), and Poplar Walk (north), there are limited connections through the Site and improved routes are important for the safety and placemaking of the wider town centre, beyond the Site boundaries.
- 2.5 North End is a wide-open pedestrianised thoroughfare and has the appearance of a traditional High Street with retail units on either side. The route’s importance as one of Croydon’s key town centre retail streets has been significantly diminished by the quality and condition of its public realm, vacant units and the condition of some of the existing buildings.
- 2.6 Wellesley Road is a heavily trafficked route which splits the town centre and acts as a barrier to pedestrian movement from east to west. There is a lack of pedestrian friendly crossing points, with vehicular infrastructure taking precedence over public realm/pedestrians.
- 2.7 The former Alders department store is located to the southwest of the Whitgift Shopping Centre and is bound by North End to the west and the Grade 1 Listed Hospital of the Holy Trinity (also known as the Whitgift Almshouses) and George Street to the south. The department store extends over basement plus four levels, with a very inefficient layout and configuration and is not suitable for modern store operators.



- 2.8 The façade has been recently cleaned and improved and six shop units are currently being installed on the North End frontage. The rest of the building remains vacant.
- 2.9 Office space is made up of four tower blocks (above the Whitgift Shopping Centre), in addition to Green Park House, London Road and Focus House. All are currently vacant.
- 2.10 There are three car parks associated with Whitgift Shopping Centre providing c.2,000 car parking spaces - Whitgift Car Park (to the north accessed from Wellesley Road with egress onto Poplar Walk), Whitgift Open Air Car Park (located centrally with access and egress from Wellesley Road) and Alders Car Park (with entry and exit from Dingwall Avenue).
- 2.11 On the opposite side of North End to Whitgift Shopping Centre sits Centrale Shopping Centre. Debenhams (formerly Kennards department store), the Drummond Shopping Centre and the C&A store were combined over time to form the Centrale, an enclosed shopping centre which opened in 2004. Centrale is accessed from North End and from Tamworth Road. The centre has 950 car parking spaces across a multistorey car park accessed from Tamworth Road.

Planning History

- 2.12 On 20 April 2018 CLP secured outline planning permission Ref. No. 16/05418/OUT ('2018 Consented Scheme') for the redevelopment of Whitgift Shopping Centre and surrounding land.
- 2.13 The 2018 Consented Scheme involved the demolition of the shopping centre and its redevelopment to provide c.170,000sqm of retail floorspace, c.17,000sqm leisure floorspace, up to 1,000 homes, hotel and student floorspace, and new areas of public realm. An associated Compulsory Purchase Order was subsequently confirmed by the Secretary of State for Communities and Local Government.
- 2.14 The 2018 Consented Scheme aimed to deliver comprehensive regeneration, again through a retail-led mixed-use redevelopment that would transform the retail offer of CMC as well as deliver physical improvements to the town centre environment.
- 2.15 The S106 agreement included provision for a £56m of contribution of public funds for S106 transport infrastructure such were the viability challenges of the scheme.
- 2.16 Given the viability issues and then significant shift in the retail market following consent, the 2018 Consented Scheme was not implemented and expired on 20 April 2021.

3 Planning Policy Context

- 3.1 The Development Plan for the Site comprises the London Plan (2021) and the Croydon Local Plan (2018). Material considerations include the Croydon Opportunity Area Planning Framework (2013) ("OAPF"), the emerging Croydon Draft Local Plan (2024) and the National Planning Policy Framework (2025) ("NPPF") (and the accompanying National Planning Practice Guidance ("PPG")).
- 3.2 The London Plan identifies Croydon as a key Opportunity Area ("OA"), a Metropolitan town centre and a Strategic Area for Regeneration. The OA is identified as a significant location with



development capacity that will deliver high commercial and residential growth, equating to c.10,500 jobs and c.14,500 new homes.

- 3.3 Through their planning framework, the Council has been seeking for at least 20 years to realise the regeneration of the Whitgift Shopping Centre and adjoining parts of the town centre but such development has not been able to be realised because of the challenges outlined above.
- 3.4 The adopted Croydon Local Plan promotes high density mixed used redevelopment and, although the emphasis is on “retail-led” redevelopment, a mix of uses including residential is supported.
- 3.5 The OAPF supports the redevelopment of the site. However, parts of the document are beginning to show their age e.g. the retail-led approach underpinned by a department store and larger retail units.
- 3.6 The Regulation 19 Draft Local Plan contains greater recognition of the need for a more balanced mix of uses to be delivered.
- 3.7 Draft Policy SP1 sets the targets for growth within Croydon with a minimum of 34,145 new homes delivered to 2040. Consistent with the London Plan, Draft Policy SP1 promotes 14,500 net additional homes and 10,500 new jobs.
- 3.8 The OA, which is the same boundary as that within the OAPF, is identified as the
“main focus of significant growth of housing, employment, town centre uses and infrastructure as it provides excellent access to jobs, retail, services and visitor facilities with well-established transport links with other places within and outside the borough”.
- 3.9 Draft Policy SP1.0B states that Transformation Areas are
“identified locations for large scale redevelopment, change and renewal alongside the required infrastructure”.
- 3.10 URW’s holdings occupy a significant proportion of the NEQ Transformation Area which is proposed to be:
“renewed with integrated retail and leisure alongside green and blue infrastructure and public life at its core. It will have a more balanced and resilient mix of uses including new homes, public realm, education and other knowledge economies, creative and cultural uses, and supporting services” (Draft Policy SP1.0B).
- 3.11 Draft Policy NEQ SP1 sets out the strategic context for the transformation of NEQ. The policy seeks “the significant change and redevelopment” of the NEQ led by an initial masterplan to deliver at least 1,250 new homes and other town centre uses including retail floorspace.



4 Masterplan Framework

- 4.1 URW has continued to work closely with the Council to overcome the hurdles to redevelopment of their holdings within the town centre.
- 4.2 Given its key location and extent, the redevelopment and refurbishment of the Site has a wider role to play in supporting the long term sustainability of the town centre and acting as a catalyst to facilitating other growth and investment.
- 4.3 The redevelopment of the Site will benefit the existing local community and new residents by providing enhanced retail, leisure, amenity, workspace, and a mix of high-quality new homes of all tenures. These uses will be supported by a network of high-quality streets and spaces, offering enhanced greening, connectivity and accessibility. The development will look to facilitate improved east-west connections across the Site linking to the town centre beyond.
- 4.4 URW has prepared the Masterplan Framework in conjunction with the Council which acts as the bridge between the Draft Local Plan and future planning applications. The Masterplan Framework was formally endorsed by the Council at Planning Committee in February 2025.
- 4.5 The Masterplan Framework provides the vision for the NEQ, describes in detail the NEQ's context, character, condition and constraints, before identifying the masterplan principles and detailing that the regeneration of the NEQ will come forward in a phased manner.
- 4.6 The Masterplan Framework sets out parameters and principles to guide redevelopment in the NEQ that will provide guidance to URW (and others) when preparing detailed proposals and will provide the Council and public with confidence that planning applications that are advanced are aligned with the underlying planning policies.
- 4.7 The document identifies ten principles to transform the area into a vibrant, mixed-use destination that will include homes, shops, restaurants, cultural venues and public spaces.
- 4.8 The document highlights that new routes (to improve permeability) are a key element of delivering place led change and delivery of an open and public East-West pedestrian route across the NEQ is a prime objective of its transformation (Principle 1).
- 4.9 The Masterplan Framework identifies that URW aims to deliver c.3,000 homes subject to high quality placemaking, evidencing a satisfactory level of social and physical infrastructure and demonstrating appropriate environmental conditions (Principle 7).
- 4.10 This Masterplan Framework exercise has been underpinned by an up-to-date review of potential costs. These are discussed further in Section 7 of this report.

5 Unique Nature of the Site

- 5.1 Section 2 has already outlined the existing Site uses and layout, the complexity of which makes this Site unique. Section 4 has outlined the specific policy objectives and design requirements that again demonstrate the uniqueness of the Site.
- 5.2 The policy framework recognises that fundamental transformation is required, but as indicated above this has been a prevailing objective of the Council for circa 25 years that is yet to be fulfilled, primarily due to the Site's complexity and associated viability challenges with the Site.



5.3 Development in this location has substantial and significant constraints including:

- A complex pattern of large, existing in many cases outmoded buildings.
- The existing Whitgift Shopping Centre basement is structurally highly complex, a result of multiple phases of development over many years.
- The extensive basement complex is c.8m below Wellesley Road, with large retaining walls forming the perimeter, and a series of inner retaining walls managing the level changes within the basement.
- A large servicing route, currently for HGVs servicing the Centre, runs north-south with access/egress ramps on Poplar Walk (north) and Wellesley Road (south).
- The existing basement layout will influence the placement of above-ground buildings, services and spaces above, especially where the basement supports structures above. Consideration needs to be given to embodied carbon of the existing basement, as well as the huge investment in an above structure which is very expensive to create.
- Large areas of the existing buildings above ground are likely to require significant alteration and/or demolition, in order to achieve a more permeable, public network of streets and spaces.
- Development will need to be sequenced to account for a phased occupation with impacts on construction cost. This includes the highly complex nature of developing above, and on the site of, retained elements of the Existing structures and substructures on site.
- The extensive network of basement areas and differing levels which add considerable abnormal cost and technical construction challenges.
- The development will need to bear the significant costs of infrastructure that serve a much wider community and need than the Site alone.

5.4 Any redevelopment of the Site will need to address these significant issues and significant abnormal costs that will be associated with them – which are addressed further in Section 7.

6 Guidance on Setting CIL Rates

6.1 The NPPF and PPG sets out how Local Authorities should use proportionate financial viability evidence to support local plan policy requirements and CIL charging schedule rates. It expands on the statutory requirements set out in the Town and Country Planning Act (1990), Planning Act (2008), Localism Act (2011) and CIL Regulations (2010) as amended.

6.2 In respect of local plans, the NPPF and PPG confirms in setting local policy requirements and site allocations, an authority must:

- Ensure the plan is ‘justified’ (based on proportionate evidence) and ‘effective’ (deliverable over the plan period) (NPPF Paragraph 36);
- Be informed by a proportionate assessment of viability (Paragraph 001 Ref ID: 10-001-20190509); and



- Use a viability assessment to ensure that policies and allocations are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan (Paragraph 002 Ref ID: 10-002-20190509).

6.3 With regards setting CIL levy rates, the PPG confirms an authority:

- Must strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments [...] charging authorities (Paragraph: 010 Reference ID: 25-010-20190901);
- Should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area (Paragraph 010 Ref ID: 25-010-20190901);
- Is allowed to apply differential rates in a flexible way, to help ensure the viability of development is not put at risk. (Paragraph 022 Ref ID: 25-022-20230104);
- Where evidence shows that the area includes a zone, which could be a strategic site, which has low, very low or zero viability, should consider setting a low or zero levy rate in that area. The same principle should apply where the evidence shows similarly low viability for particular types and/or scales of development. (Paragraph 022 Ref ID: 25-022-20230104); and
- Must use 'appropriate available evidence' (as defined in the section 211(7A) of the Planning Act 2008) to inform the preparation of their draft charging schedule. (Paragraph 020 Ref ID: 25-020-20190901).

6.4 The charging authority should adhere to this practice, characterised principally by transparent evidence-based assessments in consideration of Local Plan objectives, when setting out its proposed rates. Fundamentally it should:

- Strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments.
- Show how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.
- Be consistent with, and support the implementation of, up-to-date relevant plans.
- Ensure they are informed by a proportionate assessment of available viability evidence.

7 Nil CIL Charging Rate for the Site

7.1 The proposed amends to the rates (per sqm) for the CMC within the Draft CIL Charging Schedule are as follows:

- Residential (Class C3) over 10 units from £0 to £225;
- Residential (Class C3) of 9 units or less from £0 to £300;
- Student housing from £0 to £225; and
- Care homes (Class C2) from £0 to £204.89;

7.2 There are no changes from the indexed 2013 rates for the other uses identified.



- 7.3 The supporting Viability Study states that, since the evidence base for the adopted CIL was prepared, there have been increases to sales values and build costs. BNPP's testing of alternative CIL rates, based on typologies, indicates that relatively significant changes could be accommodated without adversely impacting on viability to a sufficient degree to impact on land supply.
- 7.4 It is evident from a review of the Study that none of the typologies tested in the study are reflective of the scale of the potential development proposed by URW i.e. c.3,000 residential units in a complex setting.
- 7.5 The proposed URW scheme is subject to significant abnormal constraints/asks which have been listed above (and which we could provide more detail on as required).
- 7.6 The two largest typologies tested are No. 35 (Large private rental scheme development (new build)) and No. 37 (Tall tower with ground floor retail (new build)) which each comprise around 400 units. Neither are comparable to the redevelopment of the Site.
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- 7.10 Secondly, even without reflecting these site specific considerations, these typologies are shown in the Study as being two of the least viable of the typologies tested, realising negative residual land values even in testing the highest level of sales value and lowest affordable housing contribution.
- 7.11 It is only when value growth and public funding for infrastructure is introduced that these typologies present as marginal or viable, with this only being at the highest level of sales value tested and lowest levels of affordable housing (5% and nil). The Study concludes that the



increase in CIL rates will have a modest impact in “most cases” and a “modest impact on affordable housing levels that can be delivered” however this is clearly not the case for this Site.

7.12 To evidence this, Cushman and Wakefield (acting on behalf of URW) have appraised the difference in base value, base cost and abnormals assumptions in the Study compared to the current options appraisals for the Site.

7.13 The conclusion of this exercise is that the most relevant and comparable typologies in the Study are deemed unviable in virtually every scenario relating to values, growth and level of affordable housing in the Study. This relates to the following issues:

- The value assumptions are at the top end of what is currently considered achievable.
- There is a significant difference in the base build cost rate that has been applied, even after considering the 5% and 10% additions in the CIL study for net zero and externals respectively
- As outlined above, the Study does not consider site specific abnormal costs, which amount to c. £295m. This reflects around £83 per sq. ft. against the total scheme GIA (excluding Alders).



all amounts as £ per sq. ft.	Max from CIL Study - Non CMC	Max from CIL Study - CMC	URW Scheme Scenario 1 ¹	URW Scheme Scenario 2 ²
Sales Value (Day 1) per sq. ft. ³ NIA	£700	£700	£785	£725
Net to Gross Efficiency	75%	75%	69%	68%
GDV (per sq. ft. GIA)	£525	£525	£542	£493
Base Build Cost per sq. ft. GIA	£223	£258	£335	£335
CIL Study Net Zero at 5%	£11	£13		
CIL Study External at 10%	£22	£26		
Abnormals	£0	£0	£83	£83
Professional Fees at 10%	£26	£30	£42	£42
Contingency at 8% ⁴	£21	£24	£33	£33
Sales Fees ⁵	£14	£14	£15	£7
Total Above Costs	£317	£364	£509	£501
Developer Profit at say 17.50% on GDV⁶	£92	£92	£95	£86
GDV less Costs and Profit (per sq. ft.)	£116	£69	-£62	-£94

7.14 Given that abnormal costs are entirely site specific by their nature, it is understandable that these are not allowed for in the Study. This is reiterated in multiple sections of the report including Paragraph 4.32 where it is stated that in the absence of detailed site investigations *“it is not possible to provide a reasonable estimate of what exceptional costs might be. Our analysis therefore excludes exceptional costs, as to apply a blanket allowance would generate misleading results”*.

7.15 Paragraph 7.16 pertinently highlights that *“there may be instances when viability issues emerge on individual developments, even when the land has been purchased at an*

¹ URW scenarios are assessed prior to any allowance for land acquisition or other planning costs such as affordable housing”

² URW scenarios are assessed prior to any allowance for land acquisition or other planning costs such as affordable housing”

³ This is considered the top end of achievable

⁴ It is unclear what rate has been applied in CIL study. 8% adopted on a high level basis reflective of scheme risk.

⁵ CIL study assumption of 2.75% of GDV adopted on a high level basis. 1.50% assumed for BTR.

⁶ CIL study adopts 17.50% on GDV - adopted for comparison purposes



appropriate price (e.g. due to extensive decontamination requirements). In these cases, some flexibility may be required subject to submission of a robust site-specific viability assessment”.

- 7.16 Paragraph 2.4 states that the Study is area-wide and “does not account for individual site circumstances” and “should not be relied upon for individual site applications”. This paragraph goes on to say that “scheme specific testing may still be required at the point where they come forward”. At that stage, however, CIL rates would be fixed, and other matters (including affordable housing and other infrastructure investment) would have to adjust, or the deliverability of the development would be at risk.
- 7.17 This is also referenced at Paragraph 1.6 which states that “Some sites may require more detailed viability analysis when they come forward through the development management process due to specific site circumstances that cannot be reflected in an area wide assessment”, with this following the Local Housing Delivery Group Guidance ‘Viability Testing and Local Plans: Advice for Planning Practitioners’.
- 7.18 This Site should therefore be subject to its own assessment of viability to inform the appropriate CIL rates.
- 7.19 A site specific viability appraisal should be undertaken where it is known that there is a specific scheme that is not reflected by the typologies tested, and there are several references to this point throughout the Study. This is fundamental in the case of the Site which is relied upon for the delivery of the Local Plan, both in terms of the Local Plan’s housing numbers, but more broadly the economic and placemaking regeneration and catalytic effect that redevelopment will have.
- 7.20 There is a clear case that the viability is such that the redevelopment of the Site cannot sustain the proposed draft CIL charge and puts at risk this vital project for the vitality and vibrancy of the town centre.
- 7.21 URW would be happy to share the relevant viability information relating to the redevelopment of the Site to assist the Council and BNPP as part of their analysis.

8 Infrastructure Delivery Plan

- 8.1 The Infrastructure Delivery Plan (IDP) was published in March 2025 and identifies the borough's infrastructure requirements including social, physical and green infrastructure.
- 8.2 The redevelopment of Site will provide new infrastructure which will have a strategic and critical role in supporting the wider growth of the area. Such infrastructure includes on and off-site public realm and logistic/servicing improvements which should be identified within the IDP.
- 8.3 We would welcome the opportunity to discuss these items and their inclusion in the IDP with relevant officers.

9 Summary

- 9.1 URW has reviewed the Draft CIL Charging Schedule and the supporting BNPP Study.
- 9.2 The need for the redevelopment/refurbishment of the Site and the associated transformational change for the town centre is recognised in adopted and emerging planning policy.



- 9.3 Given its strategic importance and the significant nature of the abnormal costs associated with its redevelopment, the Site should be subject to a site-specific viability assessment as part of the CIL rate setting process. This will demonstrate that only a CIL rate of Nil would be appropriate.

10 Next steps

- 10.1 As indicated at the start of this letter, we (both URW and Quod on their behalf) would like to reserve the right to attend the examination and would welcome the opportunity for further discussion with relevant officers as required.
- 10.2 If you would like further evidence from us, or intend, as we request, to undertake a site specific appraisal for this site which will need to be published, it would be helpful to understand your process and timescales for that going forward.

E13 NHS London HUDU

Community Infrastructure Levy Draft Charging Schedule

Representation Form

Please use this form to provide your representation on the Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule. Only representations submitted by a representation form, within the consultation period, and in accordance with the Statement of Representation Procedure have the right to be considered by the Examiner at the independent examination. Please read the guidance below to assist when making your representation.

The CIL Draft Charging Schedule and supporting evidence are available to view and download from the council's consultation webpage:

www.getinvolved.croydon.gov.uk/community-infrastructure-levy-cil-charging-schedule-review

Completed representation forms should be sent to:

- Email the Local Development Framework Inbox: LDF@croydon.gov.uk – (preferred method)
- Post: Spatial Planning Team, Croydon Council, Bernard Weatherill House, 8 Mint Walk, Croydon CR0 1EA. Phone: 0208 726 6000

All representations are required to be made public. Your representation will be published, but other personal information will remain confidential. Anonymous responses will not be considered. Your personal data will be held and processed in accordance with the Council's Privacy Notice which can be viewed at:

<https://www.croydon.gov.uk/council-and-elections/privacy-and-open-data/privacy-notices/planning-privacy-notice>

This form has two parts:

Part A - personal details

Part B - your representation

Part A – Personal details

First name

Surname

Email address

Are you an agent representing a client or organisation

No ☐

Yes ☐ Please complete details below

Client or organisation name (where relevant)

Agent name (where relevant)

Address line 1

Address line 2

City/town

Postcode

Telephone number

Part B - your representation

You should provide succinctly all the evidence and supporting information necessary to support your representation. You should not assume that you will have a further opportunity to provide feedback. After this stage, further representations may only be made if invited by the Examiner, based on the matters and issues identified for examination.

1. Do you support the proposed CIL Draft Charging Schedule?

Yes ☐

No ☐

Please explain the reason(s) for your response.

2. Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence?

Yes ☐

No ☐

Please explain the reason(s) for your response.

3. Do you consider council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

Yes ☐

No ☐

Please explain the reason(s) for your response.

4. Is your representation seeking a modification to the CIL Draft Charging Schedule?

Yes ☐

No ☐

If so, please outline your suggested modification(s) and reasons for your response

5. Do you wish to participate in the examination hearing session(s)?

Yes ☐

No ☐

If so, please outline why you consider this to be necessary

Note the Examiner will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate in hearing session(s). You may be asked to confirm your wish to participate when the Examiner has identified the matters and issues for examination.

6. Do you wish to be notified at future stages of the CIL Charging Schedule Review?

Yes ☐

No ☐

Note, if you indicated that you would like to be notified, Council will contact you; once the CIL Draft Charging Schedule has been submitted to the Examiner, when the Examiner has published the recommendations, and at the time of Council approval. You may opt out of receiving notifications at any time by sending an email to: LDF@croydon.gov.uk.

Please email this Representation Form to the Spatial Planning Team at the Local Development Framework inbox: LDF@croydon.gov.uk by 11.59pm on Wednesday 11 June 2025.

Declaration of consent

The personal information you provide on this form will be processed in accordance with General Data Protection Regulations 2018 (GDPR). The information you provide will only be used for the purposes of the preparation of the Community Infrastructure Levy Draft Charging Schedule. The council will contact you if necessary, regarding your submission.

****Your name, name of organisation, and comments, will be made available to the independent Examiner for public inspection when displaying and reporting the outcome of the statutory consultation stage and cannot be treated as confidential. You will not be asked for any unnecessary information and we will not publish any personal data beyond what is stated in this declaration.****

Your details will be kept in accordance with the Council's Privacy Notice, until the revised CIL Charging Schedule is adopted plus a further five years to evidence that a fair and transparent process has been followed. Processing is kept to a minimum and data will only be processed in accordance with the law. We will take all reasonable precautions to protect your personal data from accidental or deliberate loss or unauthorised disclosure.

The council's privacy notice can be viewed at : <https://www.croydon.gov.uk/council-and-elections/privacy-and-open-data/privacy-notices/planning-privacy-notice>

The legal basis which enables the council to process your data for this purpose is consent from the data subject (you) under Article 6, paragraph (a) of the GDPR. Information provided will be stored in accordance with the council's retention and disposal guidelines.

By completing and signing this form I agree to my name, name of organisation, and representations being made available to the independent Examiner for public inspection, and that my data will be held and processed as detailed above, in accordance with the council's privacy notice:

- ☐ Yes, I agree
- ☐ No, I do not agree



London Healthy Urban Development Unit

Steve Dennington
Head of Spatial Planning
Plan Making Team
Croydon Council

10 South Colonnade
London
E14 4PU

nelondonicb.hudu@nhs.net 

By email only to:
LDF@croydon.gov.uk

11/06/2025

Dear Steve,

Croydon CIL Charging Schedule Consultation: NHS Response

Thank you for the opportunity to comment on the Council's Draft Croydon CIL Charging Schedule and supporting documents. Please note our response has been prepared in consultation with the South West London Integrated Care Board and the local NHS Trusts.

A completed representation form is submitted alongside this letter with our comments on the specific questions posed by the consultation. We broadly support the increase in CIL rates within the borough, particularly within the town centre, which was previously zero rated, thereby reflecting the requirement for significant investment in infrastructure to support the increasing population from development.

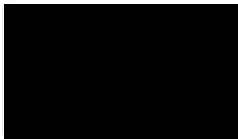
We note that the 2025 IDP is based on data collected primarily in 2024, and for health focuses on primary care, and to some extent mental health requirements. However, there are notable omissions, for example, the infrastructure requirements of Croydon University Hospital. Locally the NHS is updating its requirements reflecting the Government's increasing focus on prevention and shifting care closer to the community which includes creating Integrated Neighbourhood Teams. These changes will impact on the type and location of infrastructure required. While the work of assessing long term requirements continues, we can provide an updated schedule and associated text for the CIL Charging Schedule Examination to provide the Council and the Inspector a fuller picture of health infrastructure requirements.

We aim to share this updated health template and text with you by the end of this month. We recognise that, assuming the new CIL Charging Schedule is adopted, it will take time for the CIL monies received to increase significantly. Therefore, there remains an urgent need for the Council, wherever possible, to secure health contributions via S106 agreements to expand health capacity in relation to individual developments. As requested previously we are keen to discuss with you and /or colleagues the process for ensuring S106 health contributions and NHS access to existing CIL monies. The latter being particularly important to address the cumulative growth, for example, for more specialised acute and community services.

The Council's strategies and plans recognise the borough's existing health challenges highlighting the need to minimise adverse impacts on the health and wellbeing of existing communities as well as new residents through the planning process. While the Infrastructure Funding Gap Statement acknowledges it does not reflect the full extent of infrastructure requirements, we consider that it would be helpful for a fuller picture of the health requirements to be available for the next stage of the CIL review.

Please contact me if you have any queries regarding this response or the additional information to be provided in the coming weeks.

Yours sincerely



Mary Manuel
Head of the NHS Healthy Urban Development Unit (HUDU)

E14 Member of the public

I'm responding to the concerning what you are calling the Community Infrastructure Levy, to give it a more positive ring than what it used to be called, which is Land Development Tax. You may recall this was abolished after some years due to its lack of success.

This tax obviously will discourage development, which depending on what sort of development, can be a good thing, but my concern is the redevelopment of central Croydon. I am hoping this tax will not discourage any development here, because, as is all too apparent, central Croydon is a shambles and an embarrassment and badly needs redevelopment. I would like to be reassured that this will happen, and soon.

I would also like to know what community improvements are planned with this tax.

Please could you answer these 2 questions, so that I can have a better idea as to whether this Land Development Tax is good for Croydon.

I would like to add that your email was written in such a way that it was very difficult to follow. Was that deliberately to confuse us? I am an English teacher, so I can generally understand most things, but this was a challenge.

Finally, I would have answered this email using the online form, if it was possible to reject all cookies.

E15 Member of the public

I am writing regarding the proposed CIL charging schedule.

The exemption from CIL charging rates for Croydon Metropolitan Centre was presumably instigated to encourage residential development in the town centre. With Westfield not built, or even without a planning application, and empty sites, such as at Dingwall Road, the development of the town centre has clearly not finished.

Introducing charging rates at this time when development all over London has stalled due to interest rates and build costs will only lead to a downturn in applications within the town centre. The last thing Croydon needs is to discourage development and the council needs to be doing everything in its power to help developers.

The new CIL charging rate should be paused until there is a better economic climate.

O01 Chartwell Land & New Homes Limited

1. Do you support the proposed Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule

No

2. Please explain the reason(s) for your response

Small to medium developments are already proving unviable at present with ever increasing build costs (labour and materials), the introduction of Biodiversity Net Gain has not been factored into an appraisal system, additional S106 costs for example Croydon's £1500 charger for transport fees are also a cost. You will get to a stage where land is not worth selling by landowners as no premium (or extremely small) which in turn means the much needed 1-9 unit schemes will drastically swindle meaning the death of SME development companies which is the lifeline of local communities with use of local trades etc. Windfall sites will be a thing of the past meaning only tower blocks will be built within the Borough of Croydon from now on.

This in turn will lead to only larger schemes coming forward that the larger national developers (who are out of towners) will apply for. As part of their submissions will run viability studies proving that a scheme is not viable to produce the policy compliant level of affordable housing on site which in turn means the larger national companies won't be hit financially and more private units built, therefore driving affordability in Croydon upwards and less availability for those who need affordable housing.

It will end up with a number of SME's (who's numbers are already reducing year on year). all winding their businesses up. I know on the face of it, an increase in CIL appears innocent and potentially a plausible way forward to generate money but I don't feel the knock on impacts have been properly considered of the overall impact especially with smaller schemes of 9 or less in mind.

I feel another appraisal needs to be run on some actual smaller single plots and 4 unit schemes and 9 unit schemes to see the knock on impact of BNG credits, increased build costs. On the larger size schemes the future affordable housing numbers will be impacted.

Neighboring council Tandridge current CIL rate is £196. I believe that the numbers should be re-run with actual examples of smaller schemes. The completion of this work fails to consider the entire costs involved in developing 1-9 units. The council should consider a sliding scale i.e. the more units the higher the CIL charge goes therefore allowing smaller SME's to survive in the medium to long term as I can assure you that the number of applications for minor applications will reduce massively over the next 2 years.

3. Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence?

No

4. Please explain the reason(s) for your response

Wider considerations like new BNG credits and rising build costs not considered. No land owner of smaller schemes will be motivated to sell meaning a huge reduction in applications for minor schemes will follow.

5. Do you consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

Yes

6. Please explain the reason(s) for your response

7. Is your representation seeking a modification to the CIL Draft Charging Schedule?

Yes

8. Please outline your suggested modification(s) and reasons for your response

More focus on minor applications should be provided. Sliding scale charge rate should be considered to allow SMEs to survive.

9. Do you wish to participate in the examination hearing session(s)?

Yes

10. Please outline why you consider this to be necessary

So SMEs are represented.

11. Do you wish to be notified at future stages of the CIL Charging Schedule Review?

Yes

O02 Member of the public

1. Do you support the proposed Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule

No

2. Please explain the reason(s) for your response

The system already works well . I feel it is another tax grab from those that work hard , to buy a property. It sits badly with those that are drawing a pension and their finances are already budgeted for . It certainly will not get my vote nor endear us to Croydon Council

3. Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence?

Yes

4. Please explain the reason(s) for your response

I'm sure the council would have gone down appropriate channels to reach a decision to inflict more pain on the tax payers. I also feel that this is a 'just going through the motions' survey , as to go this far without much objection would be a complete waste of Croydon council time and money . It really is a shame that the the money wasted and lost on Fairfield Hall could not have been put towards better use for a 'growing population'.

5. Do you consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

Yes

6. Please explain the reason(s) for your response

See previous responses.

7. Is your representation seeking a modification to the CIL Draft Charging Schedule?

Yes

8. Please outline your suggested modification(s) and reasons for your response

This levy should not be implemented and imposed on elderly constituents no matter where they live . Please see earlier responses

9. Do you wish to participate in the examination hearing session(s)?

Yes

10. Please outline why you consider this to be necessary

11. Do you wish to be notified at future stages of the CIL Charging Schedule Review?

Yes

O03 Member of the public

1. Do you support the proposed Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule

No

2. Please explain the reason(s) for your response

At a time when viability has become so marginal and regeneration has all but stopped in the town centre the introduction of CIL in the central area will raise little income and stop whatever development there might have been. The development industry has been hugely effected by increased costs of materials and borrowing, as well as falling sales figures. The increase of CIL at all and especially in excess of indexation will hold back regeneration and improvement of our borough. Just look at the lack of cranes to demonstrate the situation we are in. This will only make matters worse.

3. Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence?

No

4. Please explain the reason(s) for your response

The pace of the market stalling has not been reflected.

5. Do you consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

No

6. Please explain the reason(s) for your response

The market evidence is lagging behind events.

7. Is your representation seeking a modification to the CIL Draft Charging Schedule?

Yes

8. Please outline your suggested modification(s) and reasons for your response

Remove CIL in the town centre and apply indexation or less else where. Its a sector in desperate need and this will halt provision of much needed homes.

9. Do you wish to participate in the examination hearing session(s)?

Yes

10. Please outline why you consider this to be necessary

To save regeneration of our town.

11. Do you wish to be notified at future stages of the CIL Charging Schedule Review?

Yes

O04 Member of the public

1. Do you support the proposed Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule

No

2. Please explain the reason(s) for your response

The community does not get enough out of the developments. Plainly - as the Labour government is seeing - there is a point at which developers walk away, but you [we] are not yet at that point.

3. Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence?

Yes

4. Please explain the reason(s) for your response

I consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence.

5. Do you consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

Yes

6. Please explain the reason(s) for your response

I consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008.

7. Is your representation seeking a modification to the CIL Draft Charging Schedule?

Yes

8. Please outline your suggested modification(s) and reasons for your response

Increase the charges by - initially - 33%; if development continues, review on an annual basis, and - probably increase by a further 2% over inflation.

9. Do you wish to participate in the examination hearing session(s)?

No

10. Please outline why you consider this to be necessary

11. Do you wish to be notified at future stages of the CIL Charging Schedule Review?

No

O05 Member of the public

1. Do you support the proposed Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule

Yes

2. Please explain the reason(s) for your response

3. Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence?

Yes

4. Please explain the reason(s) for your response

5. Do you consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

Yes

6. Please explain the reason(s) for your response

7. Is your representation seeking a modification to the CIL Draft Charging Schedule?

Yes

8. Please outline your suggested modification(s) and reasons for your response

CIL should be increased to keep in line current costs.

9. Do you wish to participate in the examination hearing session(s)?

Yes

10. Please outline why you consider this to be necessary

11. Do you wish to be notified at future stages of the CIL Charging Schedule Review?

Yes

O06 Member of the public

1. Do you support the proposed Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule

No

2. Please explain the reason(s) for your response

I refuse to pay a higher rate of council tax whilst the council to give motorists in this borough free parking on too many public carriageways. There are more & more out of use cars/vans/trucks left on carriageways by mechanics or car breakers or business owners than ever before, but the council still refuses to introduce resident permit charges to combat this. We have also heard of no plans for the council for matchday parking controls relating to CPFC's new bigger Main Stand they are about to build. It seems to me the council is scared to upset motorists. I am not happy to pay for more council tax to subsidise giving motorists free parking in my neighbourhood. The council needs to encourage more ACTIVE TRAVEL (WALKING, WHEELING & CYCLING).

3. Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence?

No

4. Please explain the reason(s) for your response

Stop giving motorists free parking and stop paying for landlord's buy-to-let mortgages!

5. Do you consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

Yes

6. Please explain the reason(s) for your response

N/A

7. Is your representation seeking a modification to the CIL Draft Charging Schedule?

Yes

8. Please outline your suggested modification(s) and reasons for your response

Charging schedule should be put on hold until the council introduces more CPZ neighbourhoods, more speed cameras, & more protected cycle lanes & cycle infra.

9. Do you wish to participate in the examination hearing session(s)?

No

10. Please outline why you consider this to be necessary

11. Do you wish to be notified at future stages of the CIL Charging Schedule Review?

No

O07 Southern Housing

1. Do you support the proposed Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule

No

2. Please explain the reason(s) for your response

Whilst we welcome the fact that the draft Charging Schedule is based on a viability study, we believe there are several areas where it could be improved to better balance CIL receipts and affordable housing delivery.

- The proposed uplift in CIL rates, particularly in the Croydon Metropolitan Centre (CMC), will affect scheme viability—especially where land values are high or sites are complex. Given that the CMC was previously nil-rated and is a key area for future growth, the uplift in costs may have an impact on the delivery of future development, including much needed affordable housing.
- Whilst the viability report indicates that the CMC has seen significant growth (paragraph 1.7) and higher values than other parts of the borough (6.12), this is likely to be due in part to the nil CIL rate that has been in place. Increasing rates will potentially have a significant impact on the delivery of all types of residential development, including private, affordable and supported living (C2) - which we note is now also intended to be subject to a CIL charge. This may impact on the Government objective of boosting the supply of housing (National Planning Policy Framework (NPPF), paragraph 61) and meeting the needs of particular groups (including affordable housing) (NPPF, paragraph 63).
- The combination of introducing CIL rates for residential development and maintaining CIL rates for industrial, warehousing and business type uses is likely to have an impact on the delivery of mixed use schemes in the CMC. This may force developers to consider 100% residential schemes (rather than mixed use) to generate better returns. This will potentially be to the detriment of the regeneration of the CMC as an important centre for business.
- The Charging Schedule could provide a further barrier to affordable housing delivery, particularly where CIL adds to already tight margins. Whilst the council's flexible approach to policy targets helps, the cumulative cost burden needs careful monitoring. Although paragraph 6.14 of the viability report states that securing both CIL and affordable housing are essential objectives, the report goes on to state that:

"This exercise indicates that increasing the CIL rates from the adopted rates to the highest alternative rate tested (£250 per square metre) would reduce affordable housing from 35% to around 30%, if it is not possible to pass back the additional cost through a reduction in land value. This indicates that the Council will need to carefully consider the potential impact of adopting a higher rate of CIL on affordable housing delivery and whether the need for additional income outweighs affordable housing as a priority."

This is a significant concern, and we encourage the Council to prioritise the delivery of affordable housing in line with Government objectives (NPPF, paragraphs 61 and 63).

- The viability testing doesn't fully reflect Registered Provider (RP) led delivery models, which often differ from private developer assumptions - especially in relation to land acquisition and funding structures.

- The introduction of increased CIL charges will also have an impact on the delivery of small schemes. We note that paragraph 6.17 of the viability document states that:

"Developments of 9 or fewer units are not required to provide affordable housing and can therefore, in principle, make a higher contribute [sic] towards infrastructure than schemes of 10 or more units. We suggest that a CIL rate of £300 per square metre would reflect a reasonable balance between the need for infrastructure funding and the continued delivery of small developments, which make an important contribution towards housing supply in the Borough."

It is not clear what the £300 per sqm figure is based on. We therefore suggest that this is explored in more detail to ensure that small sites are not unfairly penalised. This is particularly important given that the Government has recently (28th May) issued the "Planning Reform Working Paper: Reforming Site Thresholds", which, amongst other objectives, aims to remove and streamline disproportionate requirements on small- and medium-sized sites.

3. Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence?

No

4. Please explain the reason(s) for your response

Whilst we welcome the viability report, as set out in our response to Question 1, RP delivery models haven't been fully reflected and the £300 per sqm figure hasn't been fully explained.

The council should fully review the above seeking additional input from RPs where appropriate. Consultation with other stakeholders may also be beneficial to ensure that the charges strike an appropriate balance between delivery of development and infrastructure.

5. Do you consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

No

6. Please explain the reason(s) for your response

In general, we believe that the council has complied with the regulations as required. However, the Planning Practice Guidance states that:

"When deciding the levy rates, an authority must strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments.

This balance is at the centre of the charge-setting process. In meeting the regulatory requirements, charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area (see regulation 14(1), as amended by the 2014 Regulations).

In doing so, charging authorities should use evidence in accordance with planning practice guidance and take account of national planning policy on development contributions." (Paragraph: 010 Reference ID: 25-010-20190901).

Given our responses above, we believe the council should carefully review some aspects of the draft charging schedule to ensure compliance with the PPG and that an appropriate balance between delivery of development and infrastructure is achieved.

7. Is your representation seeking a modification to the CIL Draft Charging Schedule?

Yes

8. Please outline your suggested modification(s) and reasons for your response

Please see our responses to Questions 1-3 above.

In addition, we encourage the council to retain flexibility around phasing, exemptions, and site-specific viability assessments, particularly where affordable delivery is central to a scheme.

9. Do you wish to participate in the examination hearing session(s)?

Yes

10. Please outline why you consider this to be necessary

We have a large level of housing stock and sites in Croydon. The CIL rates will have a direct impact on our ability to deliver new schemes and affordable housing in the borough in the future. As set out in our response to Question 2, it may be beneficial to work directly with RPs and other stakeholders to ensure that the charges strike an appropriate balance between delivery of development and infrastructure.

11. Do you wish to be notified at future stages of the CIL Charging Schedule Review?

Yes

O08 Residents Association East Coulsdon

1. Do you support the proposed Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule

No

2. Please explain the reason(s) for your response

A proportion of CIL Money should be allocated to the area from where it is raised.

3. Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence?

Yes

4. Please explain the reason(s) for your response

5. Do you consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

No

6. Please explain the reason(s) for your response

A percentage needs to be spent in the area where it is raised

7. Is your representation seeking a modification to the CIL Draft Charging Schedule?

Yes

8. Please outline your suggested modification(s) and reasons for your response

An agreed percentage should be spent in the area where it is raised

9. Do you wish to participate in the examination hearing session(s)?

Yes

10. Please outline why you consider this to be necessary

To put forward our representations

11. Do you wish to be notified at future stages of the CIL Charging Schedule Review?

Yes

O09 Quod on behalf of IKEA (also see attachment)

1. Do you support the proposed Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule

No

2. Please explain the reason(s) for your response

IKEA does not support the proposed Croydon CIL Draft Charging Schedule (DCS).

IKEA is the largest furniture retailer in the world with 484 stores operating in 63 countries (22 are located in the UK).

IKEA has operated in Croydon for over thirty years, having opened their Purley Way Store in 1992, and refurbished it in 2006. As of 2022, this store employed circa 545 people (198 full time and 347 part time). It is an important asset to the overall success of the Purley Way Transformation Area (PwTA) and the wider Borough.

IKEA has engaged with the Council regarding further investment into Croydon through the re-organisation of the existing store and the introduction of a new warehouse unit located in the car park of the existing Croydon IKEA site (ref: 22/02605/PRE). These proposals address changing customer demands and futureproof the operations in order to preserve the company's strong economic role in the Borough.

IKEA has made Representations to the Croydon Local Plan Review (Regulation 19) (dated 12/08/24 and uploaded as an accompanying document), highlighting support for the Plan's promotion of employment and the protection and intensification of existing employment uses. The introduction of a £50 per sqm CIL rate on Industry and Warehousing introduces a new charge on the intensification of existing employment uses which could ultimately undermine the delivery of such intensification and is therefore inconsistent with the Local Plan.

Any potential redevelopment of the site in the future needs to be able to address market demand at the appropriate time, and therefore sufficient flexibility is required in the charging schedule to allow redevelopment to come forwards, and subsequently to allow the ambitions of the PwTA to be met.

The proposed Charging Schedule review, if adopted, would increase the Croydon CIL rate for Industry and Warehousing outside of the Croydon Metropolitan Centre (CMC) from nil to £50 per sqm.

This would be the third highest Industrial Borough CIL rate adopted in London. Behind only Redbridge - where a flat rate of £122.74 per sqm across all uses (for a planning permission granted in 2025) - and Croydon's own Industry and Warehousing rate for the

CMC (£204.89 per sqm). 23 Charging Authorities in London have chosen to not charge Borough CIL on industrial uses.

In this context, we would expect the viability evidence to provide justification for this atypical rate. This is explored further in Question 15.

In addition, linked to the aims of the PWTa, its regeneration and housing needs for the Borough, there needs to be sufficient flexibility in the charging schedule so not to stifle development. IKEA therefore suggest that a low CIL rate as possible is established for residential uses in this location.

3. Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence?

No

4. Please explain the reason(s) for your response

IKEA does not consider the proposed levy rates in the CIL Draft Charging Schedule to have been informed by appropriate available evidence.

Regulation 14 (1) of the CIL Regulations (2010, As Amended) states:

(1) In setting rates (including differential rates) in a charging schedule, a charging authority must [...] strike [...] an appropriate balance between—

(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and

(b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

The Council has published a 'Community Infrastructure Levy Viability Review' (March 2024) alongside the Draft Charging Schedule. This provides the evidence base for the impact of CIL and other obligations on development to meet the requirement for striking the 'appropriate balance' to ensure that the delivery of the sites and scale of development in the Plan are not put at risk.

The Viability Review does this by assessing a range of typologies, the most relevant to the IKEA proposals being Typology 40: Large Warehouse. The appraisal results for this typology are clear - the Benchmark Land Value is greater than the Residual Land Value for all modelled scenarios (inc. the sensitivity analysis with forecast growth) – and the maximum CIL rate that can be accommodated is nil (as set out in Table 6.7.1).

On this basis, it's unclear why an increase from the existing nil CIL rate has been recommended. The relevant paragraph that appears to address this is copied below but does not provide a justification.

Business (offices including research and development, B2 and B8)

The testing indicates that office developments are potentially viable in the CMC, although this is highly dependent on the relationship between residual land value and benchmark land value. We therefore recommend that the existing rate (after indexation) is retained unchanged in the CMC in any amended Charging Schedule but a reduced rate of £50 per square metre is set for the rest of the Borough. Similarly, we recommend that the existing rate for B2, B8 and light industrial be retained at its existing (indexed) level in the CMC, but be increased from £0 to £50 per square metre in the rest of the Borough.

IKEA would welcome clarification on how the proposed levy rate for Industry and Warehousing in the CIL Draft Charging Schedule has been informed by the Viability Review, as is required by the CIL Planning Policy Guidance.

5. Do you consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

No

6. Please explain the reason(s) for your response

IKEA does not consider the Council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008.

Regulation 14 (1) is clear that an 'appropriate balance' must be struck to ensure that the delivery of the sites and scale of development in the Plan are not put at risk. Noting the Regulation 19 Croydon Local Plan promotion of employment and the protection and intensification of existing employment uses, and the disconnect between the proposed rate and the Viability Review, it's not clear the Council has met this 'appropriate balance', or the relevant legislative requirements.

7. Is your representation seeking a modification to the CIL Draft Charging Schedule?

Yes

8. Please outline your suggested modification(s) and reasons for your response

This Representation is seeking a modification to the CIL DCS.

Given the evidence set out previously, we would recommend that the nil rate for Industrial and Warehousing outside of the CMC in Croydon is left unchanged (i.e. the maximum CIL rate that can be accommodated), as confirmed by the Viability Review.

We would also recommend that the residential charging rate for schemes of 10 or more units is kept as low as possible to allow the right mix of uses to come forward to address market needs and demands in the future.

9. Do you wish to participate in the examination hearing session(s)?

Yes

10. Please outline why you consider this to be necessary

Whilst Quod and IKEA welcome further discussion with Croydon officers on the content of this submission. Subject to any response received, or further discussions had, we would like to reserve the right to appear at the public examination to ensure our views are accurately represented.

11. Do you wish to be notified at future stages of the CIL Charging Schedule Review?

Yes

Email:

11/06/2025



Spatial Planning Team,
3rd floor, Zone C, Croydon Council,
Bernard Weatherill House,
8 Mint Walk, Croydon
CR0 1EA

By online survey

Dear Spatial Planning Team,

Croydon CIL Charging Schedule Review

Quod, on behalf of IKEA Properties Investments Ltd (IKEA), is making representations to the Croydon Community Infrastructure Levy Charging Schedule Review.

Introduction and Background

IKEA is the largest furniture retailer in the world with 484 stores operating in 63 countries (22 are located in the UK).

IKEA has operated in Croydon for over thirty years, having opened their Purley Way Store in 1992, and refurbished it in 2006. As of 2022, this store employed circa 545 people (198 full time and 347 part time). It is an important asset to the overall success of the Purley Way Transformation Area (PwTA) and the wider Borough.

IKEA has engaged with the Council regarding further investment into Croydon through the re-organisation of the existing store and the introduction of a new warehouse unit located in the car park of the existing Croydon IKEA site¹. These proposals address changing customer demands and futureproof the operations in order to preserve the company's strong economic role in the Borough.

IKEA has made Representations to the Croydon Local Plan Review (Regulation 19) (dated 12/08/24 and enclosed), highlighting support for the Plan's promotion of employment and the protection and intensification of existing employment uses. The introduction of a £50 per sqm CIL rate on Industry and Warehousing introduces a new charge on the intensification of existing employment uses which could ultimately undermine the delivery of such intensification and is therefore inconsistent with the Local Plan.

¹ Pre-application reference 22/02605/PRE.



Any potential redevelopment of the site in the future needs to be able to address market demand at the appropriate time, and therefore sufficient flexibility is required in the charging schedule to allow redevelopment to come forwards, and subsequently to allow the ambitions of the PWTa to be met.

These Representations are structured using the four main questions from the survey. Noting Croydon's preferred method of Representation is the online survey, for submission, we will copy these sections into the online form and upload the full letter as an accompanying document.

Quod and IKEA would like to reserve the right to appear at the public examination of the CIL charging schedule. We also welcome further discussion with Croydon officers on the content of this submission.

Do you support the proposed Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule

IKEA does not support the proposed Croydon CIL Draft Charging Schedule (DCS).

The proposed Charging Schedule review, if adopted, would increase the Croydon CIL rate for Industry and Warehousing outside of the Croydon Metropolitan Centre (CMC) from nil to £50 per sqm.

This would be the third highest Industrial Borough CIL rate adopted in London. Behind only Redbridge - where a flat rate of £122.74 per sqm² across all uses - and Croydon's own Industry and Warehousing rate for the CMC (£204.89 per sqm²). 23 Charging Authorities in London have chosen to not charge Borough CIL on industrial uses.

In this context, we would expect the viability evidence to provide justification for this atypical rate. This is explored further in the next section.

In addition, linked to the aims of the PWTa, its regeneration and housing needs for the Borough, there needs to be sufficient flexibility in the charging schedule so not to stifle development. IKEA therefore suggest that a low CIL rate as possible is established for residential uses in this location.

² Indexation applied reflects a planning permission granted in 2025.



Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence

IKEA does not consider the proposed levy rates in the CIL Draft Charging Schedule to have been informed by appropriate available evidence.

Regulation 14 (1) of the CIL Regulations (2010, As Amended) states:

(1) In setting rates (including differential rates) in a charging schedule, a charging authority must [...]1 strike [...]1 an appropriate balance between—

(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and

(b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

The Council has published a 'Community Infrastructure Levy Viability Review' (March 2024) alongside the Draft Charging Schedule. This provides the evidence base for the impact of CIL and other obligations on development to meet the requirement for striking the 'appropriate balance' to ensure that the delivery of the sites and scale of development in the Plan are not put at risk.

The Viability Review does this by assessing a range of typologies, the most relevant to the IKEA proposals being Typology 40: Large Warehouse. The appraisal results for this typology are clear - the Benchmark Land Value is greater than the Residual Land Value for all modelled scenarios (inc. the sensitivity analysis with forecast growth) – and the maximum CIL rate that can be accommodated is nil (as set out in Table 6.7.1).

On this basis, it's unclear why an increase from the existing nil CIL rate has been recommended. The relevant paragraph that appears to address this is copied below but does not provide a justification.

Business (offices including research and development, B2 and B8)

*The testing indicates that office developments are potentially viable in the CMC, although this is highly dependent on the relationship between residual land value and benchmark land value. We therefore recommend that the existing rate (after indexation) is retained unchanged in the CMC in any amended Charging Schedule but a reduced rate of £50 per square metre is set for the rest of the Borough. **Similarly, we recommend that the existing rate for B2, B8 and light industrial be retained at its existing (indexed) level in the CMC, but be increased from £0 to £50 per square metre in the rest of the Borough.** [emphasis added]*



IKEA would welcome clarification on how the proposed levy rate for Industry and Warehousing in the CIL Draft Charging Schedule has been informed by the Viability Review, as is required by the CIL Planning Policy Guidance.

Do you consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

IKEA does not consider the Council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008.

Regulation 14 (1) is clear that an ‘appropriate balance’ must be struck to ensure that the delivery of the sites and scale of development in the Plan are not put at risk. Noting the Regulation 19 Croydon Local Plan promotion of employment and the protection and intensification of existing employment uses, and the disconnect between the proposed rate and the Viability Review, it’s not clear the Council has met this ‘appropriate balance’, or the relevant legislative requirements.

Is your representation seeking a modification to the CIL Draft Charging Schedule?

This Representation is seeking a modification to the CIL DCS.

Given the evidence set out above, we would recommend that the nil rate for Industrial and Warehousing outside of the CMC in Croydon is left unchanged (i.e. the maximum CIL rate that can be accommodated), as confirmed by the Viability Review.

We would also recommend that the residential charging rate for schemes of 10 or more units is kept as low as possible to allow the right mix of uses to come forward to address market needs and demands in the future.

As indicated at the start of this letter, we (both IKEA and Quod on their behalf) would like to reserve the right to attend the examination and would welcome the opportunity for further discussion with relevant officers as required.

Please include us in future circulations of information concerning the examination.



Yours sincerely



Zachary Bacon
Associate

enc.

IKEA Representations - Croydon Local Plan Review (Regulation 19) (12/08/2024)

cc.

Harriet Coulton, IKEA Properties Investments Ltd
Hassan Abdalla, IKEA Properties Investments Ltd
Emma Bilton, Quod



IKEA Representations - Croydon Local Plan Review (Regulation 19) (12/08/2024)

Our ref: Q210634/tw/gl
Your ref:
Email: [REDACTED]
Date: 12 August 2024



LDF Team
Croydon Council
Bernard Weatherill House
8 Mint Walk
Croydon
CR0 1EA

By Email (LDF@croydon.gov.uk)

Dear LDF Team

Croydon Local Plan Review (Regulation 19)

Quod, on behalf of IKEA Properties Investments Ltd ("IKEA"), make representations to the Croydon Local Plan Review (Regulation 19) ("the Plan"). This correspondence should be read alongside the duly completed forms issued via your consultation portal.

These representations are concerned with:

- The need for greater recognition in the Plan on the role of the IKEA site given its economic importance to the Borough.
- Greater clarity on how the measures to tackle climate change and improve air quality through new major development will be applied in policy.
- Any new Local Centre at Valley Park needs to take account of the feasibility of "straddling" Ampere Way so not to impact the operations of existing businesses.
- Warehousing/distribution uses to in the Valley Park Local Centre and its environs should not be restricted to the '*wider environs*' as it could hinder the store's ability to innovate their business to respond to the dynamic changes in retailing
- Decreases in car parking should only be made where it does not affect the overall economic performance/vitality and viability of existing businesses
- The retail impact test should only apply to newly created floorspace of 2,500 sqm or more, in accordance with National Planning Policy.

The Government published their proposed wide-ranging changes to National Planning Policy (the NPPF) whilst the Plan was out for consultation. The draft changes builds on the existing economic growth objectives of the current NPPF, placing a greater emphasis on the national economic growth agenda and, therefore, a more supportive policy approach to economic development at a local, regional and national level (Section 6). In addition, there is greater support for housing development



and a more relaxed approach to Green Belt. Whilst not adopted policy, it does carry some weight and demonstrates a clear “direction of travel” for national planning policy.

As the Plan’s annual housing requirement is more than 200 dwellings lower than the relevant Local Housing Need¹, it is likely the Council will need to revise its Plan in line with the revised NPPF, should it remain as drafted, once published, before submitting the Plan for Examination.

Previous Representations to the Plan

IKEA made representations to the previous Regulation 19 draft in February 2022. The representations were concerned with the Plan’s approach to IKEA’s store at Valley Retail Park, Croydon.

Most notably, the IKEA site was identified within the Purley Way Transformation Area (“PWTa”) and proposed for allocation² for substantial housing-led redevelopment during the lifetime of the Plan. IKEA objected on the grounds that, at that time, there was no intention by IKEA to redevelop the IKEA store for any other purpose than its current use, and, therefore, redevelopment of the site for residential was not deliverable.

IKEA met with Planning Policy Officers³ in June 2023 to explain IKEA’s position and requested that the sites draft allocation was deleted. We subsequently confirmed this in writing in August 2023. Officer’s confirmed their agreement at that time (see **Appendix 1** for the correspondence).

IKEA still have no plans for fundamental redevelopment of the IKEA store but would not object to wider uses being appropriate on the site should they not undermine the existing business operations on the site during the Plan Period.

Amendments Made to the Plan

The IKEA site is still designated within the PWTa but the draft allocation has been deleted. In addition, the adjacent draft allocations at the Valley Retail Park⁴ have also been deleted. An extract from the Policy Map of the previous Regulation 19 Plan is shown at **Figure 1**.

The site is now identified within the ‘Valley Park Local Centre & environs’ Area for Transformational Change (**Figure 2**).

¹ The Plan identifies a need of 2,079 home during 2019-2029 and 1,214 homes during 2029-2040. Under the new Standard Method, the need is 2,763 homes per year.

² Site Reference Proposal Site 147

³ Julia Dawe & Hannah Martin

⁴ Site Reference Proposal Sites 314 and 334.



Figure 1: Local Plan Extract

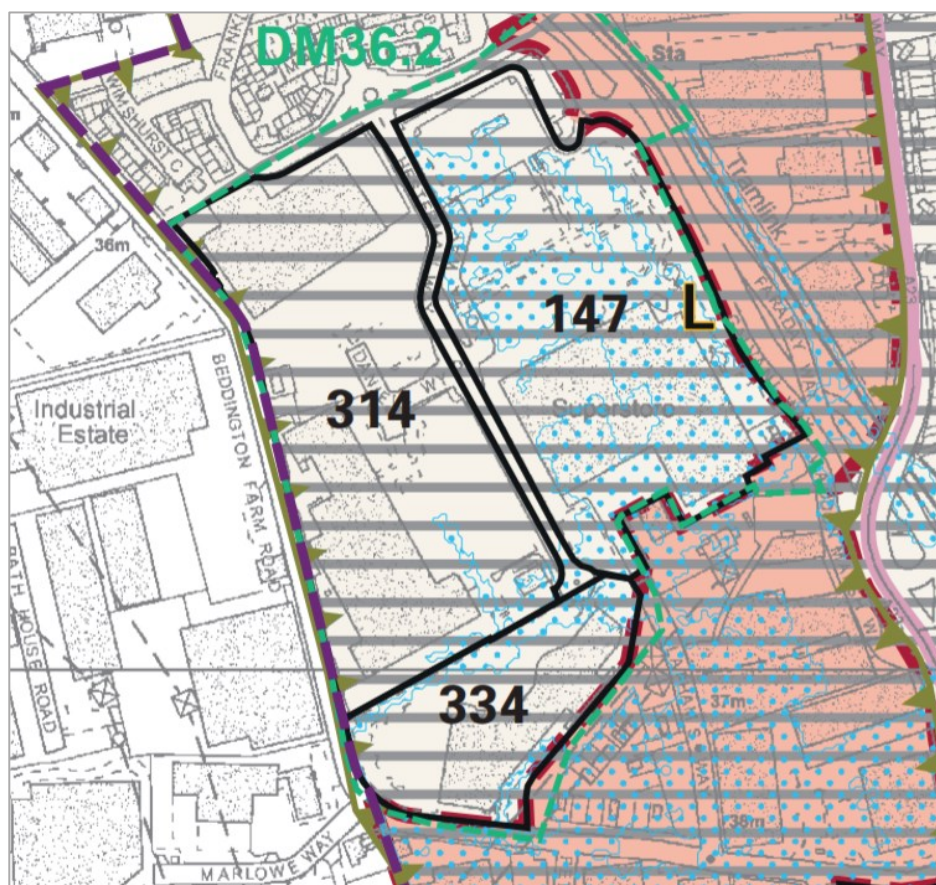
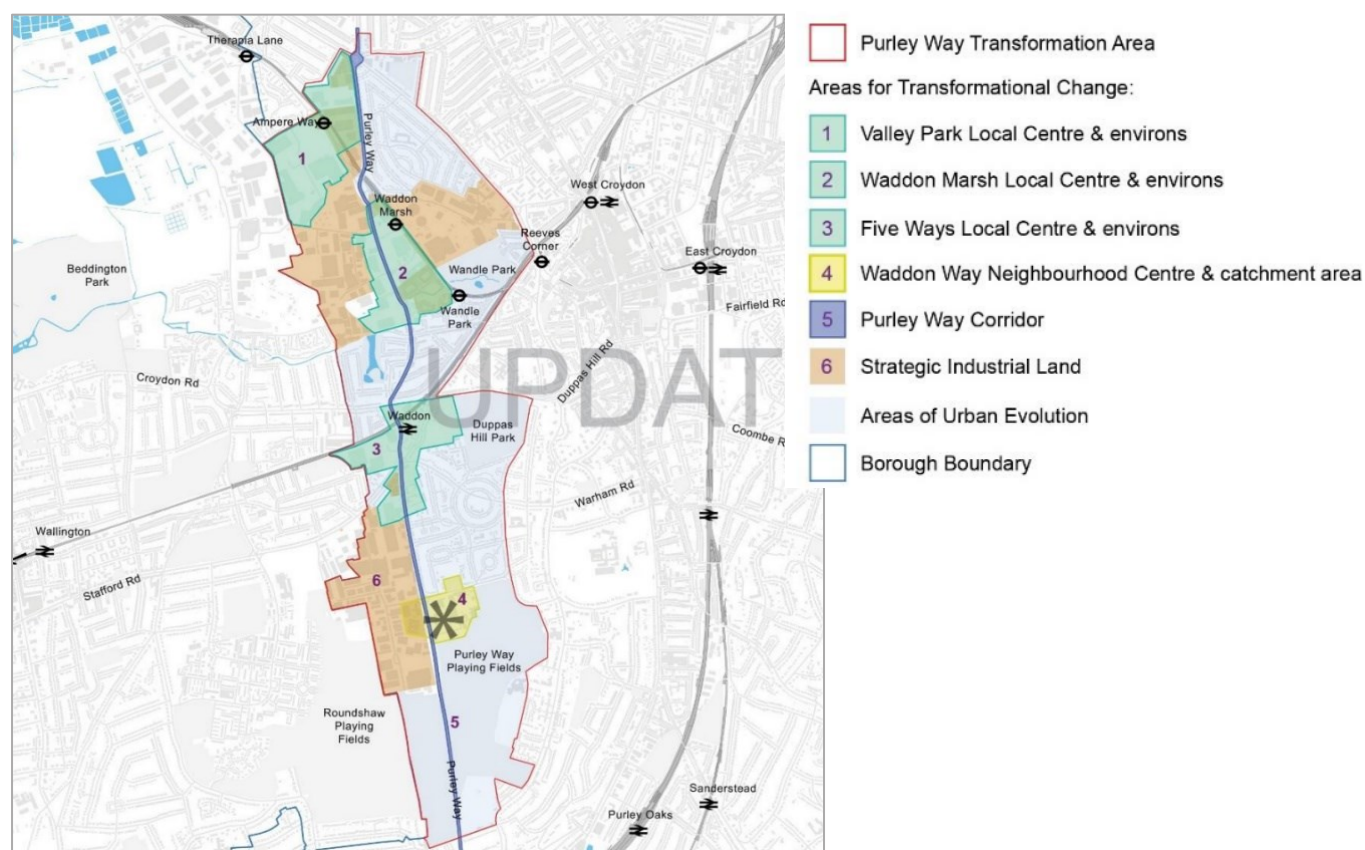




Figure 2: PWTa



Being defined as part of a “Local Centre” means it will be a focus for “Main Town Centre Uses”⁵, and a focus for mixed use development which “are vibrant and attractive hubs for people to live and work with good access to local services”.

Therefore, whilst the specific designation of the IKEA site for redevelopment has been removed, it has been replaced by a wider designation that supports a Local Centre that is identified as being suitable for a mix of uses, including housing. It remains the case that the draft Plan identifies the PWTa as one of the key locations for housing development and, therefore, whilst the site itself is not expressly

⁵ Defined in Annex 2 of the NPPF (December 2023) as “Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).”



identified for housing development, such redevelopment would not be ruled out (where it came forward as part of a Local Centre).

IKEA do not object to the Plan's vision for the PWTA and only make specific comment on the spatial approach to future development in and around the IKEA site.

Draft Policy PW SP1

Draft Policy PW SP1 sets out how the Purley Way area will be transformed. This includes strengthening the important role that the area plays in terms of business and enterprise.

IKEA supports the Plan's promotion of employment and the protection and intensification of existing employment uses. Protecting and improving employment opportunities within the Borough will help to reduce social, economic and environmental deprivation (Section 5 – Employment – Strategic Objective 5).

IKEA is a key employer in Croydon, and has made a significant contribution to the local economy over the past 30 years. The store is one of the company's most successful trading stores in the UK and draws from a wide customer base which makes a significant contribution to the local economy.

Paragraph 14.45 of the Plan recognises the popularity of IKEA/Valley Park as a retail and leisure destination, and goes on to note that this should be preserved, but there is no specific recognition of IKEA's important role in the local economy, both in terms of employment generation as well as attracting spend into the Borough from a wide area.

The IKEA store itself, is a business centre in its own right, and not only does it provide employment through the retail function, that retail function also includes warehousing (for the storage and distribution of goods that are sold via the internet) as well as being an administrative and accounting business for the store as a whole (ie, it contains a significant service function).

Recognition of the importance of IKEA in the PWTA, and wider borough, should be provided within the strategic policy.

IKEA suggest the following wording (in red) is added to PW SP1.2:

Development will strengthen the important role that the area plays in terms of business and enterprise. This will be achieved by:...

h. Protecting IKEA's role in the local economy and supporting its future economic growth.

Sub Policy PW SP1.5

Sub Policy PW SP1.5 of PW SP1 requires new development to:



To maximise opportunities to make a positive contribution to tackling climate change and to improve air quality, new major development will be required to::

a) Incorporate a communal heating system powered by an appropriately located energy centre with sufficient space for a district heat substation;

b) Explore opportunities to include an appropriately sited soft wall to allow a connection to a future Beddington - Central Croydon District Energy Network (DEN).

c) Ensure any green renewable energy technologies incorporated in developments are compatible with a future connection to the DEN.

It is not clear from the Policy what a 'soft wall' (Criterion b) is, nor is it defined anywhere in the Plan. In addition, it is not clear from the Policy whether all three criteria are required by new developments, or if it is intended to be a hierarchical approach. If all three are required, it could have significant viability and/or feasibility issues which are not currently accounted for, and could sterilise development.

Further clarity on the Policy requirements should be provided and to allow for viability and/or feasibility considerations.

IKEA suggest the following wording is added to PW SP1.5:

*To maximise opportunities to make a positive contribution to tackling climate change and to improve air quality, **where feasible and viable** new major development will be required to:...*

Draft Policy PW DM1

Draft Policy PW DM1 (Potential new Local Centre at Valley Park) promotes a new Local Centre at Valley Park subject to meeting four design requirements.

Criteria (a) requires the new centre to straddle 'Ampere Road' and provide access to and from 'Ampere Road' tram stop.

Firstly, there is a typo as Criterion (a) refers to Ampere Way as 'Ampere Road'. The IKEA site falls adjacent to Ampere Way and provides good access to and from Ampere Way tram stop. **Any new Local Centre will need to take account of the feasibility of "straddling" Ampere Way** given the operations of businesses, such as IKEA, and implications of future redevelopment on their operations. as well as the highway that serves a wide range of businesses. .

Criterion (b) supports the retention (and enhancement) of IKEA, and is welcomed. However, IKEA have plans in the future for warehousing/distribution on the site and they have gone through a pre-



application⁶ process with Officers to discuss these plans. Criterion (b) would act as a constraint to such development as it focuses warehousing/distribution uses outside of the intended area for the new Local Centre (i.e. away from Ampere Way and the tram stop).

As noted previously, the draft NPPF provides a more supportive policy approach to the expansion or modernisation of industries at a local, regional and national level. The Employment Land Review (2020) identifies an increase in demand for industrial and warehousing land as a result of an increase in e-commerce. Constraining warehousing/distribution uses to the wider environs is likely to hinder the store's ability to innovate their business to respond to the dynamic changes in retailing, in turn restricting economic growth in the Borough.

IKEA suggest that the second limb Criterion (b) is removed.

The Plan (Paragraph 14.45) recognises the popularity of IKEA and Valley Park in the wider region and seeks to preserve it, but notes that it “*supports opportunities to decrease overall visitation by car to the area*”. The IKEA store is well located to benefit from local public transport network, customer access to the site by the car is important to IKEA as the products that they sell are bulky and this business model is underpinned by customers demands to take the products home themselves.

IKEA suggest that further clarification is required noting that such decreases should only be where it does not affect the overall economic performance/vitality and viability of existing businesses.

Draft Policy DM8

IKEA do not have any specific comments on the approach to edge of centre and out of centre locations set out in Policy DM8. However, **IKEA object to Table 5.11 of the Plan** where it is noted that the test of retail impact applies to the whole of the retail unit, where it is proposed for extension, if it creates a unit of greater than 2,500 sqm floorspace. There is no justification for this in National Planning Policy. As such is it neither justified nor effective.

This is principally because the existing retail floorspaces impact is already accounted for in the retail system that operates within an area, and that the impact assessment is, therefore, relevant only to the newly created retail floorspace⁷.

⁶ Application Reference 22/02605/PRE.

⁷ See paragraph 94 of the NPPF (December 2023), that requires an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500 sqm of gross floorspace).



Consequently, as there is no proposed locally set threshold, the application of the impact test should only be on newly created floorspace of 2,500 sqm or more.

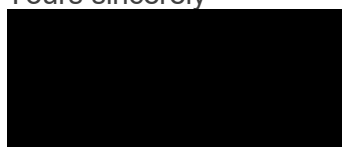
Summary

IKEA is key economic player in the Borough, in an area of concentrated social and economic exclusion. IKEA support the removal of the draft allocation from the previous Regulation 19 Plan and continue to support the principle of the PWTa.

These representations identify the need for changes to the spatial approach of the future development of the Valley Park Local Centre and its environs to: i) recognise IKEA's important role in the local economy, both in terms of employment generation as well as attracting spend into the Borough; and ii) not to hinder future redevelopment of the IKEA site not associated with a Local Centre.

I trust the enclosed representations will be taken into consideration for the next stage of the Local Plan, and please do not hesitate to contact me should you wish to meet to discuss these representations further.

Yours sincerely

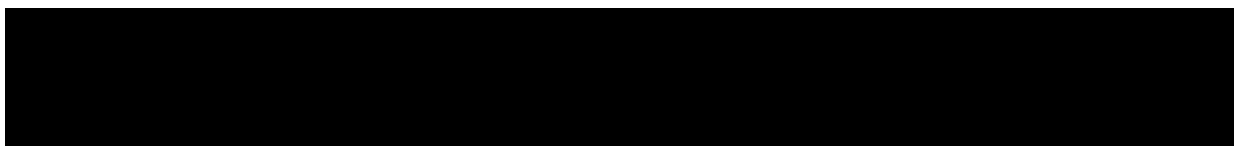


Tim Waring
Senior Director

cc.	Leanne Maxwell	IKEA
	Stefanie Kingtiger	IKEA



Appendix 1 – Correspondence with the Plan Making Team



Subject: IKEA, PURLEY WAY, CROYDON

Dear Julia/Hannah

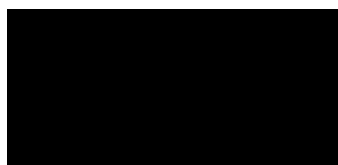
Thank you for meeting us in June. As a matter of clarification, and for your records, I am able to confirm that it is IKEA's intention to continue to operate from their site at Purley Way for the foreseeable future, and the site will not be available for redevelopment during the Local Plan period.

On this basis, we would request that the site is removed from the Plan as a draft allocation as part of the PWTa.

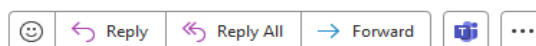
In our discussions, you mentioned that you will be "re-casting" the draft Local Plan (Regulation 19) prior to its submission to the Secretary of State, and we look forward to seeing the revised version in due course and the proposed changes to the Plan in light of the above.

In the meantime, if you have any questions, please do give me a call.

Regards



RE: IKEA, PURLEY WAY, CROYDON



Wed 09/08/2023 12:29

Tim,

Thank you for confirming the outcome of our discussions. We will proceed with the Local Plan review on this basis. It would be helpful if you could review the regulation 19 consultation which is planned for January/February and confirm the position of Ikea as a large landowner in the Purley Way even if it is to confirm that they will continue in the existing use for the lifetime of the revised Local Plan

Regards

Julia



O10 Sports England

1. Do you support the proposed Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule

No

2. Please explain the reason(s) for your response

No, modifications are required to the draft Charging Schedule.

3. Do you consider that the proposed levy rates in the CIL Draft Charging Schedule have been informed by appropriate available evidence?

No

4. Please explain the reason(s) for your response

The Council was an early adopter of CIL and it is not known what input Sport England had (if any) on that early schedule. Since 2013 Sport England has gathered experience of working with many local authorities and examiners to refine CIL charging schedules across the country to ensure that they support the delivery of community sports facilities.

Sport England has had a brief review of the viability evidence and there is no information that explains how community sports facility buildings or commercial sports facilities were viability tested. Nor was evidence collected to look at the impact on community sports groups seeking to develop new facilities in LB Croydon. Any monies directed to paying CIL from community facilities takes it away from the budget needed to maintain these facilities, adversely affecting their viability. In many cases funding for community projects comes from funding partners whose aim is to improve the lives of LB Croydon's residents, it is not for profit. The current CIL Schedule adds extra costs to these projects and prevents that money from being used to support other community projects in LB Croydon and elsewhere.

5. Do you consider the council to have met the relevant legislative requirements set out in the Community Infrastructure Levy Regulations 2010 and Planning Act 2008?

No

6. Please explain the reason(s) for your response

It is for the examiner to determine whether the Council has met the legislative requirements, we can only comment based on our experiences with other authorities. Most authorities recognise that leisure and sports facilities are expensive develop and difficult to maintain and ensure continued viability. The cost of living crisis has increased the number of hurdles community sports providers and public funders face when providing new and expanding/replacing existing sports facilities. Once facilities are open, they face considerable challenges with ongoing maintenance and increased staffing costs.

Across the country it is unusual to find a community infrastructure levy schedule that provides no relief at all for sports facilities for these reasons.

7. Is your representation seeking a modification to the CIL Draft Charging Schedule?

Yes

8. Please outline your suggested modification(s) and reasons for your response

Sport England recommends that the charging schedule is revised to ensure that an exemption is made for sports facilities. This text can simply be added to the exemption that begins; 'Places of worship, health clinics/health centres' etc.

It is not clear why sports facilities are not included in this list all community facilities should be listed to support the health and wellbeing of Borough residents. The inclusion of a sports facilities exemption within the CIL charging schedule is important to ensure that LB Croydon continues to support places for people to take part in sport and physical activity within the Borough.

Sport England is further disappointed that the Council has not sought to update its evidence base for sport and physical activity as part of its development plan to better support providing new sports facilities for borough residents in line with the NPPF. We asked to attend the current plan hearings to persuade the Council of the importance of providing new infrastructure for sport and physical activity in LB Croydon to support new and existing residents. It would make more sense if the consultation on updating the charging schedule took place after the Local Plan is adopted, when the evidence prepared to support the Local Plan (e.g. Infrastructure Delivery Plan) to support the CIL charging schedule is reviewed through the Local Plan examination.

9. Do you wish to participate in the examination hearing session(s)?

Yes

10. Please outline why you consider this to be necessary

Sport England wishes to attend the hearing in person to explain in person to the Council and Examiner why the amendment requested is necessary (if a change is not made in advance of the hearings).

11. Do you wish to be notified at future stages of the CIL Charging Schedule Review?

Yes