

London Borough of Croydon

Draft Community Infrastructure Levy Review Examination

Matters, Issues and Questions Hearing Statement

19 February 2026

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Matters, Issues and Questions

Matter 1 - Croydon Infrastructure Funding Gap Statement

1. What period of time does the Infrastructure Funding Gap statement cover?

The [LBC-04 Infrastructure Funding Gap Statement 2025](#) covers a 20 year period between 2020 to 2040, consistent with the time period set out in the [LBC-03 Infrastructure Delivery Plan 2025](#) (IDP). This time period aligns with the [Croydon Local Plan 2018](#) and emerging [Croydon Local Plan Partial Review 2024](#) to ensure that infrastructure delivery supports the development and growth anticipated in the borough.

The Council will be revising the plan period to 2026-2041 to address the Inspector's requirements arising from the Examination in Public as part of a main modification to the Local Plan Partial Review. Following, the Council will publish an updated IDP, identifying short to long-term infrastructure delivery aligned with the revised timeframes.

2. a. Can the Council confirm that the Transport funding gap relates to accessibility improvements at West Croydon Station?

Yes, the transport funding gap relates to an estimated £1.5 million cost (based on 2023 prices) to deliver accessibility improvements at West Croydon Rail Station. See page 120 the IDP for further details.

b. Can the Council confirm that the Education funding gap relates to an expansion of Gresham Primary School?

Yes, the education funding gap relates to an estimated £100,000 funding gap to deliver a temporary 1FE Bulge Class at the Gresham Primary School. See page 117 the IDP for further details.

c. Can the Council confirm that the Public Realm & Masterplans funding gap relates to the Fairfield Public Realm project and to the Minster and St. John's Memorial Gardens Public Realm project?

Yes, the public realm and masterplans infrastructure funding gap relates to an estimated £9,950,000 and £2,600,000 funding gap to deliver the Fairfield Public Realm and the Minster and St John's Memorial Garden Public Realm improvement projects, respectively. See pages 106 and 108 of the IDP for further details.

3. Many infrastructure projects in the Infrastructure Delivery Plan (IDP) 2025 are not costed, and do not identify funding sources. What alternative sources of funding is the Council considering to enable these projects to be progressed?

As stated in the Infrastructure Funding Gap statement (LBC-04) the cost of infrastructure projects and programmes identified in the IDP is estimated at £68,513,878. Anticipated funding from CIL, Section 106 and other sources is equivalent to £47,047,271 with a resultant aggregate funding gap of £21,466,607. These estimates have been based on information available at the time of the document's preparation, where known. As many long-term projects do not identify a cost or funding source in this iteration of the annual IDP report, the actual total infrastructure cost and respective funding gap over the plan period would be far greater.

The Council implements various mechanisms to secure alternative funding beyond CIL and Section 106, to enable the infrastructure projects and programmes to be delivered including Transport for London (TfL) funding, Growth Zone Programme and grant funding opportunities as set out below.

TfL funding

Croydon Council as a London local authority, has the ability to fund transport improvement projects under Section 159 of the Greater London Authority Act 1999 which allows Transport for London (TfL) to provide financial assistance to support the delivery of safe, integrated, efficient and economic transport facilities or services. To access TfL funding, the Council prepares [Local Implementation Plans](#) (LiP) that set out long-term transport infrastructure projects and programmes aligned with the London Mayor's Transport Strategy 2021 objectives. The Council undertakes annual TfL LiP funding requests for projects planned each year, which has historically secured funding between £2.2 to £3m per annum. These projects are typically included in the IDP to identify anticipated long-term projects and priorities and support the evidence base for TfL funding applications. It is noted that strategic transport funding sources may be stated as 'To Be Determined' (TBD) in the IDP as these are yet to be agreed with TfL in that reporting year but remain a key priority for the Council.

Growth Zone Programme

The Council also implements the Growth Zone Programme, which was introduced in April 2018 as a ring-fenced budget for a period of 16 years to enable borrowing to fund infrastructure to support and unlock growth in the Croydon Opportunity Area.

Grant Funding

In addition to the above, the Council actively seeks grant funding opportunities arising from the UK Government, Greater London Authority, Transport for London and other authorities to support the delivery of projects and programmes identified in the IDP. For example, the London Mayor's Good Growth Fund contributed to the delivery of high street regeneration programmes in South Norwood (2019-2025), and the UK Government's Shared Prosperity

Fund (UKSPF) supported the delivery of public realm and green space improvements across five district centres in the borough in 2024/2025. Refer to page 89-90 and 96 of the IDP for further details.

4. Has a separate Infrastructure Funding Statement (IFS) been prepared to accompany the IDP identifying the sources of funding for the projects set out in the IDP?

No, a separate Infrastructure Funding Statement to accompany the IDP has not been prepared as this is not a requirement of the CIL Regulations 2010 (as amended) or relevant Planning Practice Guidance. However, the Council has been preparing annual Infrastructure Funding Statements (IFS) in accordance with the legislative requirements set out in the CIL Regulations, Part 10 A Reporting and Monitoring CIL Obligations, Regulation 121A (as amended) since the requirement was introduced in December 2020.

The [latest annual IFS](#) was published on 31 December 2025 which sets out the Council's income and expenditure relating to CIL and Section 106 for the 2024/2025 reporting period. The previous IFS reports from 2020-2024 can be found on the Council's [CIL and Section 106 webpage](#).

With regards to CIL, the IFS includes a report for the preceding financial year comprising actual CIL income unspent from previous financial years, spent or allocated for that reporting year. The IFS also includes the Infrastructure List, nominating the types of infrastructure which the Council intends will be, or may be, wholly or partly funded by Borough CIL (other than projects or infrastructure funded by the Local Meaningful Proportion), including:

- Provision, improvement, replacement, operation or maintenance of:
 - Education Facilities
 - Health Care Facilities
 - Public Open Space
 - Public Sports and Leisure
 - Highways
 - Sustainable Transport
 - Community Facilities (as defined by the Croydon Local Plan 2018)

The IDP document format has been prepared to broadly align with the IFS Infrastructure List so that there is a link with how CIL income can contribute to infrastructure delivery needed to support planned development. The Council updates the IDP on an annual basis to ensure that the infrastructure delivery schedules remain relevant and up to date.

The IDP also contains infrastructure project and programmes that are funded by Section 106 Agreements or other funding sources, however, only projects/programmes included on the IFS Infrastructure List are paid using CIL income.

5. Historic England seek the inclusion of heritage-related projects within the IDP, which may be wholly, or partially, funded by CIL. Has the Borough Council identified any such projects?

The Council acknowledges Historic England's concern relating to the maintenance and ongoing costs associated with heritage assets outlined in their representation ([E05](#)). The Council has considered Historic England's request to modify the Infrastructure Lists contained in future Infrastructure Funding Statements (IFS) to include reference to '*improvements to heritage assets related to social, economic or environmental infrastructure*' as a type of infrastructure project which the authority intends maybe wholly, or partially, funded by CIL. The Council notes this request, however, CIL expenditure and amendments to the IFS is not a matter for the CIL Draft Charging Schedule Review.

Historic England's representation also seeks to secure the long-term future of heritage at risk referenced in the IDP and that the Council's conservation staff are best placed to advise on historic environmental issues. It is acknowledged that there are currently no dedicated CIL funding streams to support the ongoing maintenance of heritage assets in the borough. The use of CIL and Section 106 mechanisms are primarily used to contribute to the delivery of infrastructure needed to growth planned in the borough, aligned with the IFS Infrastructure List. It is viewed that there are more appropriate alternative funding streams that the Council and Historic England could rely on to fund improvements to existing heritage assets such as grant funding from the UK Government, London Trust or other grant funding opportunities.

Notwithstanding, the Council is currently in the process of preparing the next iteration of the IDP 2026 and has undertaken internal engagement with the Heritage Conservation Team to consider the heritage assets within the borough that are identified on Historic England's [Heritage at Risk Register](#). Discussions are currently underway to determine which of these Heritage at Risk assets could be considered under the IDP's infrastructure categories and to identify opportunities for maintenance projects/programmes funded by Section 106 income, between 2026-2041 (revised plan period). It is envisioned that this would not necessarily form part of a new separate Heritage Chapter but integrated as additional improvement projects to support existing open space, community facilities and public realm programmes as part infrastructure improvement projects already identified in the IDP.

Matter 2 - Community Infrastructure Levy Viability Review

1. How robust are the assumptions used in the Viability Review (March 2024) for residential development relating to:

- **sales values**
- **affordable housing tenure and values**
- **build costs**
- **profit margins**
- **abnormal costs**
- **finance costs**
- **marketing costs**
- **other assumptions, e.g., Biodiversity Net Gain**

Do such assumptions continue to remain valid?

Residential sales values

In accordance with the requirements of the Planning Practice Guidance on viability, BNP Paribas Real Estate (BNPPRE) has undertaken proportionate testing of viability using standardised inputs in line with PPG paragraphs 011 to 017 of the PPG ([LBC-02 Croydon CIL Viability Review 2024](#)).

Sales values used in the Viability Review are based on transacted values of flats and houses in the borough and analysed on a sub-postcode sector basis to identify differences in values between the various sub markets. Sales values have remained flat since the research was first carried out up to the most recently available data published by the Land Registry in November 2025, as summarised below:

- Average April 2023: £405,764
- Average April 2024: £396,187
- Average April 2025: £401,328
- Average November 2025: £408,013

Affordable housing values

Affordable housing values are based on transfer prices paid by registered providers for housing stock developed via Section 106 agreements. The values used in the appraisals are £2,182 per square metre for rented affordable housing. These will now be higher due to increases in rents over the intervening period. Consequently, the appraisals understate the value of this element of residential and mixed use schemes.

Build costs

Construction costs are based on Building Cost Information Service (BCIS) benchmark costs, which incorporate a borough-specific weighting of 22% above average costs. In the CMC, the appraisal utilises upper quartile costs for residential, whereas viability appraisals for policy testing typically use mean or median.

Since the cost data was sourced from BCIS (September 2023), the Tender Price Index has increased from 388 in Q4 2023 to 411 in Q1 2026, an annual change of circa 2.5% which is within normal levels of cost inflation.

Profit margins

The appraisals incorporate normal profit margins of 17.5% on private housing for sale Gross Development Value (GDV); 15% on commercial GDV; and 6% on affordable housing GDV. These profit margins are within the range indicated by 019 of the PPG and reflect levels of profit assumed in the vast majority of Financial Viability Assessments submitted with planning applications.

Abnormal costs

Abnormal costs (such as unusually high levels of ground contamination arising from historic uses) are not usually experienced in Croydon as industrial buildings tend to stay in that use due to policy protection of strategic industrial locations.

Some sites may require usual development costs, but these costs cannot be identified until detailed schemes are drawn up at the development management stage. It is therefore not possible to reflect what a 'typical' allowance might be for "abnormal costs" as these will be very site specific, where there are any such costs at all.

Furthermore, paragraph 013 of the PPG indicates that where such abnormal costs occur, they should be taken into account when defining benchmark land value. If this approach is applied, then the impact of abnormal costs is essentially neutral.

Finance costs

The finance rate is reflective of medium-term funding rates used in financial viability assessments. It is consistent with the finance rate used in viability evidence supporting recent local plans at Wandsworth, Richmond and Ealing, and evidence supporting Ealing's CIL charging schedule.

Since the Viability Review was undertaken, the Bank of England Base rate has fallen from 5.25% to 3.75% and the Sterling Overnight Index Average (SONIA) rate has fallen from 5.19% to 3.73%, which has eased pressure on funding costs. For context, the SONIA rate was 7.5% in February 1998 and 5.32% in 2007 (at the peak of the housing market prior to the global financial crisis).

Marketing costs

The appraisals incorporate allowances for sales agent and marketing costs of 2.5% of GDV for residential schemes, which is reflective of the normal allowance in Financial Viability Assessments (FVA). In addition, the appraisals include 0.25% for sales legal fees, which is generous. For commercial schemes, the appraisals include 10% lettings agents fees, 5% lettings legal fees, 1% sale agents fees and 0.5% sales legal fees, all of which reflect the standard market assumptions

Biodiversity Net Gain

Economic impacts associated with developer requirements to deliver 10% Biodiversity Net Gain in accordance with the Town and Country Planning Act 1990 (as amended) have been considered in the Viability Review, and its assumptions remain valid. Refer to paragraph 4.25.

2. How robust are the assumptions made regarding Benchmark Land Values?

The Benchmark Land Values (BLV) for each typology are based on the Valuation Office Agency (VOA) rateable value for the existing buildings. The rateable value reflects the

VOA's assessment of the market rent of each building in its current condition and also having regard to market demand for the use (or uses) accommodated.

Since the coronavirus pandemic, previous trends in office and retail markets have accelerated, resulting in permanent changes to the amount of office and retail floorspace required in Croydon. Demand for secondary offices has fallen resulting in increasing obsolescence and lower capital values. The benchmark land values in the study are therefore generous in the light of these shifts.

3. What is the 'modest impact' on affordable housing levels that can be delivered arising from a reduction in residual land values?

As can be noted at paragraph 6.15 and Table 6.15.1 in the Viability Review, BNPPRE have tested the theoretical change in affordable housing that would be required in the event that there is insufficient surplus residual land value (above BLV) to absorb the additional CIL. As can be noted, the change required to fully offset the CIL liability (assuming no offsetting of existing floorspace in all cases) would be circa 5% in all but one case (i.e. a reduction from 35% affordable to circa 30% affordable).

As noted in the Review, the Council's Local Plan Partial Review proposes a flexible affordable housing policy requirement, whereby a minimum level of 50% affordable housing is required, subject to viability and having regard to site-specific circumstances. This enables schemes that cannot provide as much as 50% affordable housing to still come forward rather than being sterilised by a fixed or 'quota' based approach to affordable housing. The Local Plan Partial Review also recognises the London Plan 2021 Fast-Track Route to deliver a minimum of 35% affordable housing for private development or 50% for industrial development or public sector land. If the full 35% affordable housing is not viable, applicants are able to submit a viability appraisal to justify the provision of a lower proportion to ensure their sites remain viable. This approach is consistent with the requirements of London Plan Policy H5.

4. What viability evidence supports the proposed inclusion of residential developments within the Croydon Metropolitan Centre (CMC) Zone at the proposed CIL rates of £300 per m² (for 9 or fewer units) and £225 per m² (for 10 or more units)?

The Viability Review tests the potential for increasing CIL rates in the CMC via two approaches. The first is to identify the maximum potential rates by deducing the benchmark land values from the residual land values. These outputs are summarised in Table 6.7.1 for the CMC. As can be noted, where schemes are viable, they generate variable maximum amounts that could be secured through CIL. For smaller sites (fewer than 10 units), there are significant surpluses ranging from £597 to over £2,000 per square metre when delivered as 100% private housing units.

For schemes above 10 units, the maximum CIL outputs are far more variable on the basis of both scheme composition and percentage of affordable housing delivered. In most cases, a CIL of £225 per square metre can be incorporated while also delivering levels of affordable housing that are close to or at 35% affordable housing aligned with Council's policies and the London Plan Fast-Track Route.

For the avoidance of doubt, these outputs are net of the impact of Mayoral CIL, as this is incorporated into the appraisals as a separate development cost.

5. What viability evidence supports the proposed inclusion of student housing developments within both the Croydon Metropolitan Centre (CMC) Zone and the Rest of the Borough Zone at the proposed CIL rate of £225 per m²?

Student housing is developed at high density and generates high capital values due to high rents and low investment yields. The Viability Review indicates that purpose built student accommodation will generate maximum CIL rates well in excess of £1,000 per square metre in the CMC (see Table 6.7.1). The proposed rate of £225 per square metre equates to less than 20% of the potential maximum rate in most cases.

Rents for student housing schemes do not vary significantly between areas, the key drivers being proximity to public transport hubs. Consequently, the same maximum CIL rates would apply to purpose built student housing schemes developed outside the CMC. However, it is much less likely that student housing operators would choose to develop outside the CMC.

6. What viability evidence supports the proposed inclusion of Use Class C2 developments within both the Croydon Metropolitan Centre (CMC) Zone and the Rest of the Borough Zone at the proposed CIL Rate of £204.89 per m²?

As noted in the Viability Review, care schemes generate significant surplus residual value above benchmark land values, with maximum rates in excess of £1,000 per square metre. In this context, a rate of £204.89 per square metre equates to less than 20% of the potential maximum rate that could be viably absorbed.

7. Transport for London (TfL) note that the forthcoming Building Safety Levy (BSL), with rates of £52.03 per m² for residential developments on non-previously developed sites and £26.01 per m² on previously developed sites in the London Borough of Croydon, will come into force in October 2026. TfL considers that the implications of this additional cost have not been taken into account in the Viability Review. Can the Council please provide a response to this issue?

The Building Safety Levy (BSL) technical consultation which identified potential rates for the first time was not published by MHCLG until March 2025, which post-dated the Viability Review.

In the CMC, almost all sites will be previously developed land and as such will attract the lower rate of £26.01 per square metre (£2.42 per square foot). This will apply only to the private housing element of developments and all affordable housing will be exempt. Furthermore, many schemes in the CMC will provide a mix of uses and these non-residential elements are not liable to pay BSL.

In the context of base construction costs of as much as £2,773 per square metre, an additional cost of £26.01 per square metre equates to just 0.93% of construction costs, which is not material to the outcome.

(The Council should also note that TfL has made a number of comments and suggested amendments regarding the IDP 2025, which are not within the purview of this Examination).

The Council notes that matters concerning future updates to the IDP are not subject to examination of the Croydon CIL Draft Charging Schedule. However, as part of the annual update to the IDP and to align with the finalisation of the Local Plan Partial Review, the Council has been engaging with various teams within TfL to provide their respective inputs to the next iteration of the document which is anticipated in Q2/Q3 of 2026.

Matter 3 - Draft Charging Schedule

- 1. Prologis consider that the Draft Charging Schedule should exclude ancillary spaces, such as enclosed service areas, ramps and access roads in the Gross Internal Area (GIA) calculation for multi-storey industrial developments? Can the Council please provide a response to this issue?**

The Council and Prologis have met on several occasions following the statutory consultation to discuss issues outlined in their representation ([E06](#)), including the potential to exclude ancillary spaces, such as enclosed service yards, ramps and access roads from the industrial and warehousing CIL rate for multi-storey industrial developments in the Rest of Borough Zone. On 5 January 2026, Prologis submitted an Explanatory Note to the Council as supporting information to their representation and additional evidence to justify amendments to the CIL Draft Charging Schedule for the Council's consideration.

The Council has reviewed Prologis' additional information against the evidence, relevant legislation and recent CIL examination precedents, and agree that these types of enclosed ancillary areas that would typically be outside the Gross Internal Area (GIA) (i.e. not CIL liable) should be excluded from the proposed industrial and warehousing CIL charges. The Council considers this to be a reasonable and pragmatic approach that balances the need to generate CIL income to support infrastructure delivery with the potential effect on the viability of industrial developments. A modification to the Draft Charging Schedule has been proposed to respond to this issue.

The Council and Prologis have concluded this issue including suggested modifications in a Statement of Common Ground (SOCG) which will be submitted to the Examiner for consideration in due course.

- 2. Churchill Living and McCarthy Stone consider that the proposed Use Class C3 (residential) CIL rate of £225.00 per m² for schemes of 10 or more units will render their retirement living schemes and other specialist housing for older people in the Borough unviable. Can the Council please provide a response to this issue?**

The Council has considered the Churchill Living and McCarthy Stone representation and supporting development appraisals for the CIL and Nil CIL rating scenarios ([E09](#)). However, the information provided is inadequate to demonstrate that the development of retirement living schemes and other specialist housing would be unviable. Further discussion is set out in our [LBC-07 Statement of Consultation](#) response on page 12-13.

As noted, the McCarthy and Stone appraisals understate the value of affordable housing by adopting a blended rate at 40% of open market value and has applied a profit margin of 20%, which is significantly higher than the 17.5% margin typically applied in London. The representation also indicates that retirement schemes have been typically located away from the CMC, where the CIL rate is only due to increase by circa £15 per square metre. In their example appraisal, this would mean that the CIL liability would only increase by £33,659, which equates to 0.23% of GDV, which is not material to the outcome. It is noted that a number of retirement living schemes have been delivered in Croydon but located outside the CMC.

The only material change to rates for schemes of 10 or more units is for schemes inside

the CMC. For the rest of the borough, the prevailing rate will increase from £209.61 (indexed to 2026 rates) to £225 per square metre, which is not a material change.

With regards to the proposed rate for schemes of 10 or more units in the CMC, the Council maintains that the draft charging rates have been set with regards to relevant available evidence, in compliance with the relevant legislation, National Planning Policy Framework and Planning Practice Guidance. The C2 care schemes that have been modelled are analogous to C3 retirement schemes, the only difference between them being the level of care provided (the income from which and any profits arising from event fees¹ are not reflected in the appraisals). The testing of alternate CIL rates demonstrated that care schemes would still be viable at the maximum CIL rate, well above the proposed rates. As such, the proposed Draft Charging Schedule has struck a balance between the desirability of raising funds for infrastructure and the impact on the viability of development across the area as a whole.

3. SKM Croydon Limited and KS Croydon Limited consider that the proposed Use Class C3 (residential) CIL rate of £225.00 per m² for schemes of 10 or more units will impact upon the deliverability of their proposals for the development of the Norfolk House site in the CMC Zone. Have the higher abnormal costs associated with the development of this site been taken into consideration by the Council?

Yes, the Council has considered the abnormal costs associated with the Norfolk House site in the CMC Zone outlined in their representation ([E10](#)). However, the information provided is inadequate and does not specify the extent of associated abnormal costs expected for the site. Additional information would be required to meaningfully assess the following issues:

- The actual CIL liability, having regard to existing floorspace and space to be retained;
- The CIL liability relative to the phased scheme values and overall costs;
- The potential impact/trade-offs with other planning policy requirements (e.g. affordable housing).

It is acknowledged that the Norfolk House site is identified as a site allocation in the Croydon Local Plan 2018 and Croydon Local Plan Partial Review 2024. However, the Croydon Local Plan Partial Review cannot be delivered without the adequate provision of infrastructure and services funded in part by CIL. Furthermore, the Croydon Local Plan Partial Review's growth strategy identifies the Croydon Opportunity Area, as designated in the London Plan 2021, as the main focus of growth of housing, employment, town centre uses and infrastructure in the borough over the next 15-years. Bringing the CMC into line with the rest of the Borough would raise additional income for the Council to support the infrastructure need from the growth planned in the Croydon Opportunity Area.

The Council is supportive of activating additional relief mechanisms to help mitigate the impact on CIL and support the delivery of development in the borough. This matter is further discussed in response to Matter 3, Question 4 below.

¹ Event fees relate to the fees associated with many long leases for specialist retirement properties require the leaseholder to pay a fee on certain events, such as sale, sub-letting or change of occupancy, also known as exit fees, transfer fees or deferred management fees, contingency fees and selling service fees.
<https://lawcom.gov.uk/project/event-fees-in-retirement-properties/>

4. Unibail-Rodamco-Westfield (URW) consider that its proposals for the redevelopment of its landholdings within the Croydon Opportunity Area, which are within the CMC Zone, should attract a Nil CIL rate, in view of the high site-specific abnormal costs, totalling ca. £295 million, associated with this scheme. Have the higher abnormal costs associated with the URW proposals been taken into consideration by the Council?

Yes, the Council has considered the URW representation ([E12](#)) and have met with the project team on several occasions following the statutory consultation to understand and address concerns relating to abnormal costs associated with the nature of their site and the impact the proposed CIL charges could have on viability. However, due to timing of the URW proposal, the level of information required to adequately determine the extent of development viability risk and justify the case for a CIL nil rating for the site was not available prior to the examination in public phase. Without accompanying GDV and other cost figures, the CIL impact of the £295 million abnormal costs is unable to be fully understood. Refer to the response to Matter 3, Question 3 above for further discussion regarding Council's position in relation to this matter.

One of the Council's primary concerns is that if a nil rate were to be applied to the URW site, it would be very difficult to change it to reflect any improvements in economic circumstances over time, resulting in potential loss of additional income to support growth planned in the CMC area of the borough. Setting a nil rating is an extremely blunt instrument for addressing the specific viability issues of the URW site. Additionally, this would set a precedent for other development sites in the borough, undermining the integrity of the CIL funding mechanism and overarching objectives of the charging schedule review. The Council considers that the other approaches are more nuanced and flexible in approach but will achieve the same objective of ensuring the deliverability of the URW scheme.

On 17 November 2025, the [Croydon Executive Mayor decided](#) that the CIL Draft Charging Schedule and supporting documents should be submitted for examination. The [supporting approval report](#) set out that the Council is supportive of legislative measures to mitigate CIL impact, such as Exceptional Circumstances Relief and Infrastructure in Kind in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) regulation 56 and 73 respectively at the appropriate time, for an eligible scheme and when justified.

These alternative options provide flexibility and can be fairly applied across the borough. There is also support to further investigate the Bespoke Infrastructure Reinvestment Agreement approach being rolled out at the London Borough of Tower Hamlets and the London Borough of Barnet as an alternative mechanism which could allocate CIL money to directly reinvest back into a scheme. This approach could provide flexibility and help mitigate some of the CIL liability burden for the large-scale and complex development schemes in the borough in light of the economic conditions at that time and directly linked to the planning stage of the scheme.

It is noted that Exceptional Circumstances Relief, Infrastructure in Kind and Infrastructure Reinvestment Agreement mechanisms are not strictly subject to the examination of the CIL Draft Charging Schedule. However, outcomes of the approval report demonstrates the Council's ongoing commitment to pursue measures to mitigate the impacts of CIL to

support the delivery of the Local Plan Partial Review and its spatial strategy, especially the regeneration of the Croydon Opportunity Area, including the URW site.

- 5. Southern Housing consider that the proposed Use Class C3 (residential) CIL rate of £225.00 per m² for schemes of 10 or more units and £300.00 per m² for schemes of 9 or fewer units will impact upon the deliverability of their residential schemes in the Borough, including affordable housing. Can the Council please provide a response to this issue?**

The Council has considered Southern Housing's concerns regarding the proposed CIL draft charging rates outlined in their representation ([O07](#)) and provides the following response.

While it is appreciated that the introduction of residential CIL rates in the CMC will have some impact, the Council maintains that the CIL Viability Review (BNPPRE, 2024) is sufficiently robust, has due regard to market conditions in Croydon over the short and long term and compliant with the relevant legislative and planning guidance. Further, the CIL Viability Review demonstrates that relatively significant changes could be accommodated without adversely impacting on viability to a sufficient degree to impact on land supply.

Southern Housing's representation does not provide any evidence to identify the level of impact the proposed CIL Draft Charging Schedule would have on the ability to deliver residential schemes across the borough, including affordable housing. As stated in the CIL Viability Review (BNPPRE, 2024) smaller schemes of 9 or fewer units are not required to provide affordable housing and can therefore viably make a slightly higher contribution through CIL which is evidenced through the viability testing of alternative CIL rates for minor residential typologies.

The only material change to rates for schemes of 10 or more units is for schemes inside the CMC. For the rest of the borough, the prevailing rate will increase from £209.61 (indexed to 2026 rates) to £225 per square metre, which is not a significant financial change.

Notwithstanding, the activation of relief mechanisms discussed above would aid in mitigating the impact on CIL to support deliverability of residential schemes in the borough.

- 6. IKEA consider that the proposed CIL rate of £50 per m² for Industrial and Warehousing schemes in the Rest of the Borough Zone should not be confirmed and that such schemes should continue to attract a Nil CIL rate, in order that existing employment uses can be intensified in line with the Local Plan's objectives. Can the Council please provide a response to this issue?**

The Council has considered IKEA's representation ([O09](#)) and request for industrial and warehousing schemes to continue to attract a nil CIL rating. However, the information provided to date is inadequate to reasonably justify and support the case for a CIL nil rating for the site.

The [LBC-02 Croydon CIL Viability Review \(BNPPRE, 2024\)](#) viability testing considered alternative CIL rates including £25, £50 and £75 per square metre for different industrial

and warehousing development typologies typical in the borough. The Viability Review demonstrates that introducing a CIL rate for industrial and warehousing development in the Rest of Borough Zone of up to £50 per m² would not have a substantial impact on development viability.

Notwithstanding, the Council has considered IKEA's and Prologis' representations and comparative rates in other London Boroughs in relation to setting industrial and warehousing CIL charging rates. A modification to the CIL Draft Charging Schedule to reduce the charge to £35 per m² in the Rest of Borough Zone has been proposed for the Examiner's consideration as set out in the LBC/Prologis SOCG. It is noted that the £35 per m² rate is not in conflict with the evidence and would bring the proposed rate in line with recently accepted rates for industrial development in the London Borough of Ealing and the Old Oak and Park Royal Development Corporation area.

The Council considers that the proposed modification to reduce the industrial and warehousing rate as well as the intention to activate relief mechanisms as discussed above would sufficiently mitigate CIL impact and respond to IKEA's concerns. Moreover, that the CIL Draft Charging Schedule strikes a balance between supporting growth in the borough while ensuring that industrial and warehousing development schemes could still come forward.

7. Sport England consider that Sports Facilities should be exempt from CIL payments and be placed within the development category of "Places of Worship, Clinics/Health Centres, etc., in view of their importance to the health and wellbeing of Borough residents. Can the Council please provide a response to this issue?

The Sports England representation ([O10](#)) does not provide any evidence to justify the recommendation that sporting facilities should be exempt from paying CIL. Many sports facilities (gyms, padel courts and private leisure centres) are provided by private companies and do not provide access to members of the public at rates that are equivalent to those of public leisure centres. They are therefore not freely accessible and not analogous to places of worship, clinics and health centres, as Sport England suggest. Whilst these private facilities play a role in promoting health and well being, they are also private and profit making enterprises and are therefore more analogous to retail developments. Nil rates for private enterprises providing sports facilities for profit would constitute state aid. Facilities provided by a local authority; by a community sports association; or by (for example) a local rugby club would not be CIL liable as they are not structured to realise profits for shareholders. These organisations could utilise the charitable relief mechanism that the Council operates.

The Council's position as expressed above is that no modifications will be made to the proposed Draft Charging Schedule to exempt development, including the types suggested by Sports England, from being CIL liable. The income generated from CIL is critical in funding the [Council's Capital Programme](#) and the delivery of essential infrastructure to support the growth in the borough.

The Council notes that sporting facilities are considered as 'All other uses' in the extant CIL [Croydon CIL Charging Schedule 2013](#). The proposed CIL Draft Charging Schedule does not propose changes to any rate that impacts sports or related facilities. The Draft Charging Schedule does, however, propose to remove education from the schedule,

whereas it is currently CIL liable in the Croydon CIL Charging Schedule 2013, so provision of sports facilities by education providers will no longer attract a CIL charge.

There have been examples of major sports and leisure centre development proposals that have recently received planning permission including the Crystal Palace Stadium Redevelopment (18/00547/FUL) and the resolution to grant the Purley Way Leisure Centre (24/00775/FUL) which are both CIL liable. This would suggest that there is continued interest to develop these types of facilities in the borough despite the CIL charge, and additionally that CIL does not have a significant impact on viability.

It is noted that the activation of relief mechanisms discussed above could aid in mitigating the impact due to CIL, to support deliverability of sport facility schemes in the borough.