



AN EXAMINATION UNDER SECTION 212 OF THE
PLANNING ACT 2008 (AS AMENDED)

**REPORT ON THE DRAFT LONDON BOROUGH OF CROYDON
COMMUNITY INFRASTRUCTURE LEVY
CHARGING SCHEDULE REVIEW**

Independent Examiner (appointed by the Council): Derek Stebbing BA (Hons)
DipEP MRTPI

Charging Schedule Submitted for Examination: 28 November 2025

Date of Report: 15 April 2026

Main Findings - Executive Summary

In this report I have concluded that the Draft London Borough of Croydon Community Infrastructure Levy Charging Schedule Review provides an appropriate basis for the collection of the levy in the area.

The Council has provided sufficient evidence that shows that, subject to the modifications recommended, the proposed rates would not threaten delivery of the Local Plan.

Two modifications are necessary to meet the drafting requirements. These can be summarised as follows:

EM1	<u>Rest of the Borough Zone</u> <u>Category</u> Industrial and Warehousing	Amend CIL rate per m ² from £50 to be £35 .
EM2	<u>For both the Croydon Metropolitan Centre (CMC) Zone and the Rest of the Borough Zone</u> <u>Insert New Category</u> Development comprising community, sport and leisure facilities by a publicly funded or 'not for profit' organisation*	Insert CIL rate per m ² of NIL .

The specified modifications recommended in this report do not alter the basis of the Council's overall approach on the appropriate balance achieved.

Introduction

1. I have been appointed by the London Borough of Croydon Council, the charging authority, to examine the review of the Draft London Borough of Croydon Community Infrastructure Levy (CIL) Charging Schedule. I am a chartered town planner, with over 50 years of experience in planning. I have worked in both the public and private sectors and have experience of examining development plans.
2. This report contains my assessment of the CIL Charging Schedule in terms of compliance with the requirements in Part 11 of the Planning Act 2008 as amended ('the Act') and the Community Infrastructure Regulations 2010 as

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amended ('the Regulations').¹ Section 212(4) of the Act terms these collectively as the "drafting requirements". I have also had regard to the National Planning Policy Framework (NPPF) and the CIL section of the Planning Practice Guidance (PPG).²

3. To comply with the relevant legislation, the submitted Charging Schedule must strike what appears to the charging authority to be an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the district. The PPG states³ that the examiner should establish that:
- the charging authority has complied with the legislative requirements set out in the Act and the Regulations;
 - the draft charging schedule is supported by background documents containing appropriate available evidence;
 - the charging authority has undertaken an appropriate level of consultation;
 - the proposed rate or rates are informed by, and consistent with, the evidence on viability across the charging authority's area; and
 - evidence has been provided that shows the proposed rate or rates would not undermine the deliverability of the plan (see NPPF paragraph 34⁴).

The basis for the examination, on which a hearing session was held on 26 February 2026, is the submitted Schedule of 28 November 2025. This is effectively the same as the Draft April 2025 Schedule published for statutory consultation between 30 April 2025 and 11 June 2025 (see paragraph 8 below). The submission documents for this examination comprised:

- LBC-01 Croydon CIL Draft Charging Schedule - April 2025
- LBC-02 Croydon CIL Viability Study - March 2024
- LBC-03 Infrastructure Delivery Plan 2025
- LBC-04 Infrastructure Funding Gap Statement 2025 - April 2025
- LBC-05 Statement of Representation Procedure - April 2025
- LBC-06 CIL CSR copies of representations (November 2025)
[REDACTED]

¹ The Regulations have been updated through numerous statutory instruments since 2010, most notably through the Community Infrastructure Levy (Amendment) (England)(No. 2) Regulations 2019.

² The CIL section of the PPG was substantially updated on 1 September 2019, and most recently updated 26 April 2024. At the time of completion of the examination, no further updates have been made to the CIL section of the PPG following publication of the December 2024 NPPF. For example, in relation to Development contributions, the paragraph referenced in the current PPG as 34 is now paragraph 35 (albeit the text remains unchanged).

³ See PPG Reference ID: 25-040-20190901.

⁴ Paragraph 35 in the December 2024 NPPF.

- LBC-07 Statement of Consultation - November 2025
 - LBC-08 Statement of Compliance - November 2025
 - SD-01 Croydon Statement of Community Involvement – November 2024
4. Prior to the hearing, and also thereafter, additional written statements and information were submitted, at my request, regarding various matters raised on the agenda for the hearing and during the discussions at the hearing.⁵ These are as follows:
- ED-01 Agenda and Matters, Issues and Questions V3
 - ED-02 London Borough(LB) of Croydon response to Matters, Issues and Questions
 - ED-03 Sport England response to Matters, Issues and Questions
 - ED-04 Statement of Common Ground - LB of Croydon and Prologis
 - ED-05 CIL Draft Charging Schedule – LB of Croydon Opening Statement
 - ED-06 Croydon CIL DCS - Post Hearing Update
 - ED-07 Infrastructure Funding Gap Statement - Post Hearing Update
 - ED-08 TfL Local Implementation Plan Funding 2026/2027 - Cabinet Approval Report (December 2025)
 - ED-09 Growth Zone Programme - Mayoral Approval Report (January 2026)
 - ED-10 LB of Croydon CIL DCS Hearing Statement – Post Hearing Update
 - ED-11 CIL Charging Schedule - Mayoral Approval Report (November 2025)
 - ED-12 Sport England Hearing Statement
 - ED-13 Sport England Further Information Note

I have taken account of all submission documents and the further written statements and information that have been submitted as part of the examination, and in the preparation of this report.

I have further taken account of a Statement of Common Ground (SoCG) concluded on 19 February 2026 between the Council and Prologis UK Limited (Prologis) concerning matters raised in the representations submitted by Prologis.

5. There is an existing CIL in place in Croydon which came into effect in April 2013. The existing CIL contains rates, although some are zero rated, for residential-dwelling houses (class C3); business (class B1, B2 and B8); institutions (class C2 and D1); and all other uses within the Croydon Metropolitan Centre and the Rest of the Borough.⁶ The review of the Draft CIL Charging Schedule continues to use the two zones, the Croydon Metropolitan Centre and the Rest of the Borough, as shown on the CIL Zones Map 2025. New rates are included within the Croydon Metropolitan Centre

⁵ View all the examination documents at: <https://www.croydon.gov.uk/planning-and-regeneration/planning/community-infrastructure-levy-cil-charging-schedule-review>

⁶ View at: <https://www.croydon.gov.uk/planning-and-regeneration/planning/make-planning-application-developer/community-infrastructure-levy-cil-and>

for residential (class C3 – schemes of 10 or more units and schemes of 9 or fewer units); student housing and care homes/care schemes (class C2 – including nursing homes). There are no changes to the indexed rates for industrial and warehousing, business (class E (g) (i) and (ii)) and all other uses. In addition, within the Croydon Metropolitan Centre, there are no changes to the zero rates for institutions (class F1); development related to publicly funded health care services (except the use of premises attached to the residence of the consultant or practitioner); development used for the provision of education and various other uses including places of worship, health centres, day nurseries, museums, libraries and art galleries.

6. For the Rest of the Borough, the Draft CIL Charging Schedule proposes new rates for residential (class C3 – schemes of 10 or more units and schemes of 9 or fewer units); student housing; industrial and warehousing; business (class E (g) (i) and (ii)); and care homes/care schemes (class C2 – including nursing homes). There is no change to the indexed rate charge for all other uses and, as with the Croydon Metropolitan Centre, there are no changes to the zero rates for institutions (class F1), development related to publicly funded health care services (except the use of premises attached to the residence of the consultant or practitioner); development used for the provision of education and various other uses including places of worship, health centres, day nurseries, museums, libraries and art galleries.
7. The adopted Local Plan for the London Borough of Croydon is the 'Croydon Local Plan 2018' which was adopted on 27 February 2018. It covers the period from 2011 to 2036. A partial review of the Local Plan commenced in 2019, with a Regulation 18 consultation between November 2019 and January 2020. The Regulation 19 pre-submission consultation was between January and February 2022 and a further Regulation pre-submission consultation was between July and August 2024, and the Draft Plan was submitted to the Secretary of State for examination in November 2024. The revised Local Plan covers the period from 2019 to 2041. Examination hearings were held in September/October 2025. On 12 January 2026, the Inspectors wrote to the Council setting out a series of action points which will need to be addressed in order that the submission Plan can proceed to a Main Modifications consultation. The emerging Local Plan provides for a minimum of 34,145 new homes between 2019 and 2040, of which at least 14,500 new homes will be in the Croydon Opportunity Area. The Plan identifies three transformation areas, at Purley Way, the 'North End Quarter' and the 'Brighton Main Line and East Croydon Transformation Corridor' which are locations for large scale redevelopment, change and renewal. The Draft Plan states, at paragraph 3.14, that "*the delivery of critical infrastructure, particularly in Croydon Opportunity Area, has been enabled by Croydon's Growth Zone status and the Council's willingness to embrace the opportunities presented by devolution to ensure delivery*".

Has the charging authority complied with the legislative requirements set out in the Act and the Regulations, including undertaking an appropriate level of consultation?

8. The Council undertook a Regulation 16 consultation between 30 April and 11 June 2025 (a six-week period). The published Draft Charging Schedule and supporting documents were posted online on the Council's 'Get Involved' consultation webpage, copies were made available for inspection at all of Council's library branches and the Croydon Urban Room in the Whitgift Centre and invitations to provide a representation were sent to all those registered on the Council's Local Plan consultees database. The consultation process resulted in 25 representations being made from statutory bodies, members of the public, developers, a residents' association, a community interest group and a non-statutory government association.⁷
9. The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the adopted Local Plan and the Infrastructure Delivery Plan, and is supported by an adequate financial appraisal. I also consider it compliant with the national policy and guidance contained in the NPPF and PPG respectively. I conclude that the Council has met the necessary legal requirements, including undertaking the necessary public consultation.

Is the draft charging schedule supported by background documents containing appropriate available evidence?

Infrastructure planning evidence

10. An Infrastructure Delivery Plan (IDP), first produced in 2022 and updated in 2025, is part of the evidence base for the emerging Local Plan Review (Examination Document Ref. EV055a). It is accompanied by an Infrastructure Funding Gap Statement (IFGS), dated April 2025, prepared for this review of the CIL Charging Schedule. In calculating the funding gap, account has been taken of a number of funding sources including LB Croydon capital funding, Greater London Authority (GLA) and Transport for London (TfL) funding, Croydon Growth Zone funding, government allocations and developer contributions. The estimated cost of required infrastructure between 2020 and 2040 is over £68 million. Identified funding amounts to around £47 million leaving a gap of £21 million. Comprehensive details of the infrastructure requirements and funding is provided in the IDP and the IFGS.
11. Following discussions at the hearing, the IFGS has been updated (Document Ref. ED07) to a March 2026 baseline. It now identifies a total cost of over £133 million for all required infrastructure with identified or committed funding of £78 million, leaving a funding gap of over £54 million.

⁷ View at: https://www.croydon.gov.uk/sites/default/files/2025-11/lbc-07-statement-of-consultation-november-2025_0.pdf

12. On the basis of my assessment of the IDP and IFGS, and discussions at the hearing, I am satisfied that the evidence on infrastructure requirements and its funding is appropriate and that there is a clear funding gap extending through to 2040 which justifies the need for this review of the CIL Charging Schedule.

Economic viability evidence

13. The Council commissioned a CIL Viability Review study (CILVR) which was produced in March 2024 by BNP Paribas Real Estate. The study methodology compares the residual land values of a range of development typologies reflecting the types of developments expected to come forward in the Borough over the Local Plan period. The appraisals compare the residual land values generated by those developments (with varying levels of affordable housing and CIL contributions) to a benchmark land value to reflect the existing value of land prior to redevelopment. If a development incorporating the Council's policy requirements and a particular level of CIL generates a higher residual land value than the benchmark land value, then it can be judged that the site is viable. The study utilises the residual land value method for calculating the value of each development. This approach involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development.
14. The CILVR takes account of the following policy requirements in the emerging Local Plan Review and the London Plan 2021:
 - Policy SP2.4 sets a strategic target of delivering 50% affordable housing with a tenure split of 70% low-cost rented housing (further subdivided as 40% social rent and 30% London Affordable Rent) and 30% intermediate housing.
 - Policy SP2 requires that at least 30% of new homes across all units are delivered to provide 3 or more bedrooms.
 - Policy SP2 of the emerging Plan requires that 10% of units are designed to meet Building Regulations M4(3) standard 'wheelchair user' and the remaining 90% of units achieve M4(2) standard.
 - For build to rent schemes, it tests the impact of London Plan 2021 Policy H11C which requires 35% affordable housing (50% on sites in industrial use where employment floorspace is not re-provided), which is reflected in both adopted and emerging Local Plan policies, comprising at least 30% of units as London Living Rent with the balance at a range of discounts below market rent.
 - For large-scale purpose-built shared housing, it tests the impact of London Plan Policy H16 which requires 35% affordable housing (50% on sites on public sector land or in industrial use) provided at a 50% discount to market rent.

- For purpose-built student housing, it tests the impact of London Plan Policy H15A4 which requires 35% of units (50% on sites in public ownership or in industrial use) to be provided at affordable rent levels (defined by reference to maximum maintenance loans available to students).
 - Adopted Local Plan Policy DM14 requiring that all major schemes incorporate public art provision.
 - Policy SP6.2 in the emerging Plan promoting zero carbon development.
 - Policy SP6.3 in the emerging Local Plan, which refers to London Plan policy requirements or meeting Building Regulations Part L (2021), whichever are higher.
 - Policy DM27 in the emerging Plan which requires that developments meet an Urban Greening Factor of a minimum of 0.4 for residential, 0.3 for commercial and 0.2 for general industrial, storage and distribution.
 - Policy DM2A in the emerging Plan which requires that large scale purpose-built housing meets the requirements of London Plan Policy H16 in the form of a single upfront payment towards affordable housing based on a 50% discount to market rents on 35% of units (50% on sites in public ownership or in industrial use).
15. The CILVR tests 65 development typologies on sites across the Borough to represent the types of sites that the Council expects to come forward over the Plan period. These are set out at Table 4.1.1 in the study.
16. It uses a core set of appraisal assumptions for residential sales values, affordable housing tenure and values, rents and yields for commercial development, build costs and BREEAM, accessibility standards, professional fees, development finance, Mayoral CIL, Croydon CIL, Biodiversity Net Gain (BNG), Section 106 costs, development and sales periods, developer's profit, exceptional costs and benchmark land value. These reflect data from established evidence sources, supplemented by local data from developments that have been completed within the Borough.
17. Section 6 of the study contains the outputs of the appraisals of the 65 development typologies, under the categories of residential, care schemes, offices, retail (supermarket), retail (comparison), industrial, community uses, hotels, student housing and Gypsy and Traveller sites. The appraisals tested four different CIL scenarios, comprising the existing CIL rates applicable in the Borough and three alternatives at different CIL rates, in order to assess the impacts upon residual land values. It concludes by stating that the results of the analysis indicate that increases from the adopted CIL rates would not have a significant impact on the residual land values in most cases. It further states that, at any of the alternative CIL rates, the burden on development would remain at an acceptably low level in most cases, and that the change in residual land value resulting from

increases in CIL rates would generally be less than 10%. The study considers that developments could absorb the higher rates without any adverse impact upon land supply.

18. The study also notes that, in setting a charge, the statutory framework for CIL requires that local authorities must "*strike an appropriate balance*" between revenue maximisation on the one hand and the potentially adverse impact of CIL upon the viability of development across the whole area on the other.
19. Section 7 the study contains its overall conclusions and recommendations. It concludes that an increase in CIL rates could have a modest impact upon the levels of affordable housing that can be delivered. However, it is considered that the Council's flexible approach to applying its affordable housing requirements ensures that the balance between meeting needs for affordable housing with raising funds for infrastructure, whilst ensuring that developments generate acceptable returns to willing landowners and willing developers, is appropriate.
20. It is my assessment that the CILVR comprises an appropriate appraisal of the economic viability of developments within the Borough, and that it has tested, using established methodology, the impacts upon the viability of future developments in the Borough arising from potential increases in CIL rates. This provides appropriate evidence for the Council to assess the impacts upon the deliverability of new housing, commercial, retail, student housing, community and other categories of development that are included in the emerging Local Plan for the period up to 2040. I am satisfied that the CILVR has taken into account the relevant policy implications arising from the emerging Local Plan in its assessment of the impacts upon development viability. However, I noted, on my initial evaluation of the submission documents that the CILVR does not take into account the Building Safety Levy, which will be introduced in October 2026. This is due to the CILVR having been prepared in March 2024, ahead of the publication of the Building Safety Levy (England) Regulations 2025. I therefore sought to examine this issue in more detail at the hearing.

Are the proposed rates informed by and consistent with the evidence on viability across the charging authority's area?

21. Taking account of everything that I considered during my preliminary assessments of the submission documents, including the CILVR, and the representations that were submitted during the Regulation 16 consultation, I identified eight key matters that I wished to explore in more detail at the hearing. These were:
 - Whether the proposed Use Class C3 (Residential) rate of £225.00 per square metre for schemes of 10 or more units can be justified by the supporting evidence and that it will not impact upon the deliverability of development proposals in the Borough?
 - Whether the proposed Use Class C3 (Residential) rate of £300.00 per square metre for schemes of 9 or fewer units can be justified by the

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supporting evidence and that it will not impact upon the deliverability of development proposals in the Borough?

- Whether the proposed rate of £50.00 per square metre for industrial and warehousing and business development can be justified by the supporting evidence and that it will not impact upon the deliverability of development proposals in the Rest of the Borough zone?
- Whether sports facilities should be exempt from CIL payments and be placed within the development category of "Places of Worship, Clinics/Health Centres, etc." which has a Nil CIL rate?
- Whether ancillary spaces, such as enclosed service areas, ramps and access roads, should be excluded from the Gross Internal Area (GIA) calculation for multi-storey industrial developments?
- What evidence supports the proposed CIL rate of £225.00 per square metre for student housing developments in the Borough?
- What evidence supports the proposed CIL rate of £204.89 per square metre for Use Class C2 developments in the Borough?
- What will be the impact on the viability of developments of the forthcoming Building Safety Levy (BSL), with rates of £52.03 per square metre for residential developments on non-previously developed sites and £26.01 per square metre for developments on previously developed sites?

22. In addressing these issues, I take account of the Hearing Statements prepared by the Council and representors, the above-mentioned SoCG, together with the oral submissions and discussions during the course of the hearing. I also take account of the documents that were submitted following the hearing providing responses and additional information to issues that were raised during the course of the hearing (comprising documents ED-06-11 and ED-13 above).

23. My findings on each of the above issues are set out below together with my assessment of any necessary modifications to the Draft Charging Schedule.

Whether the proposed Use Class C3 (Residential) rate of £225.00 per square metre for schemes of 10 or more units can be justified by the supporting evidence and that it will not impact upon the deliverability of development proposals in the Borough?

24. Overall, I am satisfied that the proposed rate of £225.00 per square metre for residential development schemes of 10 or more units can be justified by the supporting evidence and that it will not impact upon the deliverability of development proposals in the Borough. However, it is clear that some development schemes within the Croydon Metropolitan Centre zone are likely to incur site-specific abnormal development costs which exceed the assumptions made in the CILVR and which, with the added cost of CIL, could impinge upon the viability of the proposals. In such situations, I am satisfied that the Council's commitment, as set out in the Mayoral Approval Report dated 17 November 2025 (Document ED-11) and its Hearing Statement (Document ED-02), provides appropriate flexibility for the Council to activate relief mechanisms, in order to mitigate the impacts of CIL. I do not

recommend any modifications to this element of the Draft Charging Schedule.

Whether the proposed Use Class C3 (Residential) rate of £300.00 per square metre for schemes of 9 or fewer units can be justified by the supporting evidence and that it will not impact upon the deliverability of development proposals in the Borough?

25. Having taken full account of the CILVR and the Council's submissions at the hearing, I am satisfied that the proposed rate of £300.00 per square metre for residential development schemes of 9 or fewer units can be justified by the supporting evidence and that it will not impact upon the viability and deliverability of development proposals falling within this category in the Borough. I do not recommend any modifications to this element of the Draft Charging Schedule.

Whether the proposed rate of £50.00 per square metre for industrial and warehousing and business development can be justified by the supporting evidence and that it will not impact upon the deliverability of development proposals in the Rest of the Borough zone?

26. I identified this issue following consideration of the representations submitted on behalf of IKEA, which considered, inter alia, that this CIL rate would impact upon the emerging Local Plan's objectives of promoting employment and seeking to protect and intensify existing employment uses. Although the CILVR tested a potential CIL rate of £50.00 per square metre for different industrial and warehousing typologies in the Borough, it was a mid-range value. I considered that a lower value, but not necessarily the Nil CIL rate sought by IKEA, would have a lesser impact upon development viability and more closely adhere to the objectives of the emerging Local Plan. Following discussions at the hearing, the Council has now proposed the reduction of this CIL rate from £50.00 per square metre to £35.00 per square metre for the Rest of the Borough zone. This is in line with recently accepted CIL rates for industrial development schemes in the London Borough of Ealing and the Old Oak and Park Royal Development Corporation areas, and which, in my assessment, are comparable areas to the Croydon area. Accordingly, I recommend that the Draft Charging Schedule be modified to reflect the Council's proposed change to the CIL rate from £50.00 per square metre to £35.00 per square metre for the Rest of the Borough zone, and this is set out as Modification **EM1** in the Appendix to this report.

Whether sports facilities should be exempt from CIL payments and be placed within the development category of "Places of Worship, Clinics/ Health Centres, etc." which has a Nil CIL rate?

27. I identified this issue following consideration of the representations submitted on behalf of Sport England, who were represented at the hearing and submitted a Hearing Statement (Document ED-12) and further information following the hearing (Document ED-13). The Council's position

at the hearing was that no modifications would be proposed to the Draft Charging Schedule to exempt development, including the types being suggested by Sport England, from being CIL liable. However, following the hearing and the submissions made by Sport England, the Council has now proposed that sports facilities which are developed by publicly funded or not-for-profit organisations, such as a new sport clubhouse, which may not necessarily be associated with charitable organisations, and therefore would not benefit from charitable reliefs, should not be CIL liable.

28. The Council further considers that the Draft Charging Schedule should include a new development type that specifically exempts not-for-profit or publicly funded community, sport and leisure facility developments from CIL, including a new definition. In addition, I note that all sporting facilities are considered as 'All other uses' in the extant CIL Charging Schedule 2013.
29. The proposed Draft Charging Schedule does, however, propose to remove Education from the Schedule, whereas it is currently CIL liable in the current Charging Schedule, so provision of sports facilities by education providers will no longer attract CIL. I consider that the Council's proposed amendments to the Draft Charging Schedule provide an appropriate response to the concerns expressed by Sport England, and I concur with the amendments, which will facilitate the provision of sports facilities in the Borough to the benefit of the health and wellbeing of residents. Accordingly, I recommend that the Draft Charging Schedule be modified to reflect the Council's proposed amendments described above, as proposed in Document ED-06. The amendments are set out in full as Modification **EM2** in the Appendix to this report.

Whether ancillary spaces, such as enclosed service areas, ramps and access roads, should be excluded from the Gross Internal Area (GIA) calculation for multi-storey industrial developments?

30. I identified this issue following consideration of the representations submitted by Prologis. Ahead of the hearing, the Council and Prologis agreed a SoCG (Document ED-04). The SoCG states that the Council considers that the reduced CIL rate of £35.00 per square metre for industrial and warehousing developments in the Rest of the Borough zone, as set out at Modification EM1 in the Appendix to this report, is not in conflict with the CILVR and was within the range of alternative charging rates tested for industrial development. The key matters raised in the representations made by Prologis are addressed by the SoCG and are reflected in Modification EM1, including the footnote to the relevant entry in the Draft Charging Schedule. Accordingly, I do not recommend any further modifications to address this issue.

What evidence supports the proposed CIL rate of £225.00 per square metre for student housing developments in the Borough?

31. I identified this issue following consideration of the representations submitted on behalf of Unibail-Rodamco-Westfield (URW). During the course

of the hearing, the Council stated that student housing is developed at high density and generates high capital values due to high rents and low investment yields. The CILVR indicates that purpose-built student accommodation (PBSA) will generate maximum CIL rates well in excess of £1,000 per square metre in the Croydon Metropolitan Centre zone. 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. In this context, I heard that Croydon is a highly attractive area for PBSA developments, due to the excellent public transport links to Central London. The Council stated that PBSA schemes in London tend to be configured as private direct lets, self-catering en-suites or self-contained studio flats which were rented at approximately £341 to £462 per week on average in London in 2024/2025. The London Plan policies require that 35% of student housing units are provided at discounted rents (based on 55% of the maximum maintenance loan a student living in London away from home can secure) which in 2025 equated to circa £199 per week. Consequently, PBSA developments generate high gross development values and high residual land values. From everything that I have seen and heard, I consider that the evidence supporting the proposed CIL rate of £225.00 per square metre for student housing developments in the Borough is appropriate and robust. Accordingly, I do not recommend any modifications to this element of the Draft Charging Schedule.

What evidence supports the proposed CIL rate of £204.89 per square metre for Use Class C2 developments in the Borough?

32. I identified this issue from my consideration of the representations submitted on behalf of Churchill Living and McCarthy Stone who 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 (including Use Class C2 schemes) in the Borough unviable. The Council responded to this issue by stating that there is very little material difference in the 'property' related aspects of C3 schemes for older people and C2 schemes, the main difference being the level of care that residents receive. This care is paid for separately from property-related costs, so the viability of C2 and C3 schemes for older people is not materially different. The CILVR outputs therefore apply in equal measure to both C2 and C3 schemes for older people. I note that the CILVR tested Use Class C2 typologies and that they generate significant surplus residual values above benchmark land values, with maximum rates in excess of £1,000 per square metre. In this context, the proposed CIL rate of £204.89 per square metre does not render Use Class C2 development schemes unviable and, accordingly, I do not recommend any modifications to this element of the Draft Charging Schedule.

What will be the impact on the viability of developments of the forthcoming Building Safety Levy (BSL), with rates of £52.03 per square metre for residential developments on non-previously developed sites and £26.01 per square metre for developments on previously developed sites?

33. As noted above, the CILVR does not take account of the Building Safety Levy (BSL) which will be introduced from 1 October 2026. I therefore identified this as an issue that could potentially affect the viability of residential developments in the Borough. The Council's response states that in the Croydon Metropolitan Centre (CMC) almost all sites will be previously developed land and as such will attract the lower rate of £26.01 per square metre. 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 the non-residential elements will not be liable to pay BSL. The response goes on to state that, in the context of base construction costs of as much as £2,773 per square metre in Croydon, an additional cost of £26.01 per square metre equates to 0.93% of construction costs, which is not material to the outcome. It further states that when taking into account that the BSL only applies to private housing, for schemes incorporating 35% affordable housing, the BSL would only represent 0.61% of construction costs. I accept these points and conclude that the BSL will not have a material impact upon the viability of residential development schemes in Croydon. Accordingly, I do not recommend any modifications to this element of the Draft Charging Schedule in respect of this issue.
34. On those matters that are not covered by the afore-mentioned issues, I am satisfied that the proposed CIL rates set out in the Draft Charging Schedule have, in all cases, been informed by and are consistent with the outputs of the CILVR. I therefore do not recommend any further modifications to the Draft Charging Schedule.

Has evidence been provided that shows the proposed rate or rates would not undermine the deliverability of the plan (see NPPF paragraph 34⁸)?

35. In setting the proposed CIL charging rates, I consider that the Council has had appropriate regard to detailed evidence on infrastructure planning and the economic viability evidence of the development market in the Borough of Croydon. I consider that the Council has sought to achieve a balance between a reasonable level of income to address an acknowledged gap in infrastructure funding, whilst ensuring that future developments remain viable across the Borough. I consider the CILVR to be a robust assessment and I conclude that the rates proposed would not threaten delivery of the Local Plan. The proposed CIL rates are therefore justified.

⁸ Paragraph 35 of the December 2024 NPPF.

Other matters

36. The East Coulsdon Residents' Association were represented at the hearing, and their representative was also speaking on behalf of two other Residents' Associations in the Coulsdon area. Whilst the Residents' Associations were not seeking any modifications to the Draft Charging Schedule, they considered that the Council has failed to address existing deficiencies in local infrastructure provision in the Coulsdon area, particularly regarding public transport infrastructure, through the IDP and through the allocation of CIL funds as a percentage to be spent within the area from where they are raised. These are matters outside the purview of this examination, but I record the Residents' Associations' concerns in this report for completeness.

Conclusion

37. I conclude that the Draft London Borough of Croydon Community Infrastructure Levy Charging Schedule, subject to the making of the two Modifications (EM1 and EM2) set out in the Appendix to this report, satisfies the drafting requirements and I therefore recommend that the Draft Charging Schedule be approved.

38. Finally, I extend my thanks to the Programme Officer, Claire Jones-Hughes, for her help and assistance to me throughout the examination.

Derek Stebbing

Examiner

Appendix

Examiner Modifications (EM) recommended in order that the Charging Schedule may be approved.

Examiner Modification	Charging Zone	Modification
EM1	<p><u>Rest of the Borough Zone</u></p> <p><u>Category</u></p> <p>Industrial and Warehousing</p>	<p>Amend CIL rate per m² from £50 to be £35.</p> <p>Insert new footnote beneath this category to read as follows:</p> <p>*Excluding floorspace comprising enclosed access roads, ramps and service yard areas within multi-storey industrial development (i.e. areas which would be considered outside the Gross Internal Area (GIA) in comparable single-storey industrial developments).</p>
EM2	<p><u>For both the Croydon Metropolitan Centre (CMC) Zone and the Rest of the Borough Zone</u></p> <p><u>Insert New Category</u></p> <p>Development comprising community, sport and leisure facilities by a publicly funded or 'not for profit' organisation*</p> <p><u>Insert footnote to read as follows</u></p> <p>*A 'not for profit' organisation is one that does not earn profits for its owners but conducts business for the benefit of the general public; all money earned by or donated to the</p>	<p>Insert CIL rate per m² of NIL.</p>

	organisation is used in pursuing the organisation's not for profit objectives.	
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