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Crossrail S106 Contributions Proposed By The London Mayor

Crossrail is the proposed new railway running through central London. It will connect with existing rail routes east to west and will have 38 stations and run for approximately 118km.

The agreed framework for funding included:

- that the expected cost (£16bn) will be met by Government, businesses and farepayers;
- that Government will contribute by means of a grant from the Department for Transport of over £5bn during construction;
- that the Mayor will be raising up to £7.7bn through fare revenue and Supplementary Business Rates.

London businesses are expected to contribute through a variety of mechanisms including:

- Direct Contributions - agreed with direct beneficiaries including the Canary Wharf Group, the City of London Corporation and BAA for example.
- Supplementary Business Rates - The Government has set out proposals to introduce a power for local authorities to raise supplementary business rates to fund economic development
- Developer Contributions - The Mayor envisages securing contributions from property developers, particularly those who develop in the vicinity of Crossrail stations. This will comprise two elements - approximately £300 million from S106 contributions limited to sites that benefit from Crossrail, superseded by an additional £300 million following the implementation of the Community Infrastructure Levy once the Planning Reform Bill has come into effect (see separate bulletin).

In 'Planning for a Better London' (July 2008) the Mayor indicated that ways in which the planning

system could be used to seek contributions towards the cost of Crossrail from development would be looked at.

The Mayor will now be consulting on revisions to the London Plan and a Crossrail Supplementary Planning Guidance in Spring 2009 for a three month period.

The proposed London Plan alterations are seeking explicit requirements for S106 obligations to contribute towards the funding of Crossrail. The alterations will include: 'New Policy 3C.12A - Funding for Crossrail', 'Amended Policy 6A.4 - Priorities in planning obligations' giving Crossrail funding equal importance with affordable housing'; and 'New Policy 6A.5A - Community Infrastructure Levy'.

The supporting SPG gives details of how, where and what types of land use charges should be levied, as well as the proposed levels of charges.

The Mayor is seeking a contribution from schemes within the Central Activities Zone (designated by Policy 5G.1 of the London Plan) and the main business areas north of the Isle of Dogs where there is an uplift in office floorspace above 500sq.m. In outer London areas within 800m of proposed Crossrail stations will be included.

The standard charge per square metre of net additional floorspace has been assessed as £213.30 per sq.m for all office development involving a net increase of more than 500sq.m within the CAZ, and a contribution at a higher level will be sought north of the Isle of Dogs. At other sites, no standard charge is proposed but contributions will be sought where justified.

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