**London Borough of Camden CIL Review – Draft Charging Schedule**

**Question from Examiner**

EQ3

To Smith Jenkins

1. I refer to your consultation representation to the Draft Charging Schedule, dated 2 December 2019, on behalf of Travelodge Hotels Ltd. I also refer to the Council’s response to this representation as set out in Document CED 1.8 at number 7.
2. Your letter does not have numbering for the paragraphs: for convenience I have given them numbers so that, for instance, paragraph 6 starts at the bottom of the first page. Similarly, the Council’s response does not have paragraph numbers, so that I have also numbered these; for instance, paragraph 7 follows under the heading ‘Benchmark Land value.
3. Your main concerns begin to be set out in your pargaraph 5, where you make the point that fundamentally a CIL rate should not be informed by a sample of one. Once a CIL rate is adopted it is fixed and not a matter legally possible to negotiate during the planning process. You then mention, in paragraph 6, a further concern about what is said in the second half of the Viability Study’s Executive Summary, that you quote: *“Some schemes may still require more detailed site and scheme specific viability analysis when they come forward through the development management process …”,* pointing out that at this stage it is too late as the CIL rate has been set. In your paragraph 7 you refer to the fact that Mayoral CIL has increased since 2015 within Camden Central area from £50 P/sqm to £140.
4. At paragraph 10 you comment on the hotel appraisal assumptions that are set out in table 4.19.1 of the viability study. Your main points refer to Capital Value, Base Construction Costs and Benchmark Land Value. At paragraph 2 in the Council’s reply, it is stated that BNP Paribas Real Estate have reviewed a range of budget hotels, and identify that the appraisal is based on Travelodge Central Euston, Grafton Place. There are then references to 3 other hotels: Travelodge London Central Kings Cross; Double Tree by Hilton, 60 Pentonville Road; and Premier Inn Canary Wharf. Capital values are set out for the 4 examples.
5. At paragraph 4 it is suggested that your comments on yields are ‘something of a red herring’, since it is modelled off a capital value. There is also further comment about the performance of the Central Euston Travelodge.
6. Construction costs are then dealt with in paragraph 5. This is followed by responses under the heading Benchmark Land Value, and (at paragraph 11) it is pointed out that the appraisals assume no deduction for existing floorspace. Paragraph 12 deals with your points about Mayoral CIL increases, pointing out that prior to MCIL2 there was a Crossrail S106 top up charge on hotel development in this location. In total, once indexed, this came to £144.71 per psm, prior to MCIL being adopted at £140 psm.
7. To enable me to give proper consideration to your client’s concerns, I wish to give you the opportunity to deal with the matters set out in the Council’s response.
8. Please let me have your reply within 10 working days.

Terrence Kemmann-Lane

Examiner

15 April 2020