

# **Croydon CIL Charging Schedule Review**

## Statement of Common Ground

Between

**London Borough of Croydon**

and

**Prologis UK Ltd**

FINAL

*19 FEBRUARY 2026*

## 1. Introduction

- 1.1 This Statement of Common Ground (SoCG) is agreed between the following parties to assist in the examination of the Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule 2025:
  - a) The London Borough of Croydon (LBC); and
  - b) Prologis UK Limited (Prologis)
- 1.2 This SoCG seeks to establish areas of agreement between the parties on a proposed modification to the Croydon CIL Draft Charging Schedule 2025, relating to industrial and warehousing development in the Rest of Borough Zone identified in Appendix A. These modifications are acceptable to and have been agreed by both parties. However, it is recognised that the Examiner will make the final decision on these.
- 1.3 This SoCG should be read in conjunction with the attached Prologis Explanatory Note, dated 5 January 2025, provided at Appendix B which was provided to the LBC for consideration as background information to support the Prologis representation to the Croydon CIL Draft Charging Schedule 2025 and this SoCG.

## 2. Background

- 2.1 The LBC introduced the existing Croydon CIL Charging Schedule in 2013. The Croydon CIL charging rates for industrial and warehousing (previous use class<sup>1</sup> B1 light industrial, B2 general industrial, and B8 storage or distribution) are set out in the table below.

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<sup>1</sup> The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 (Use Class Regulations), came into force on 1 September 2020 which reclassified development uses. It is noted that B1 light industrial uses which can be carried out without a nuisance to residential areas is now classified as use class E. However, the CIL Draft Charging Schedule and the classification of the development types proposed rate for 'industrial and warehousing' is unaffected. Whereby all industrial uses (B2, B8 and E (g)(iii)) as defined in the Use Class Regulations (as amended) would be charged at the 'industrial and warehousing' rate.

**Table 1. CIL Charging Schedule – Charging Rates for B1, B2 and B8 uses**

<b>Zone</b>	<b>Adopted rate per/m<sup>2</sup> (April 2013)</b>	<b>Indexed rate per/m<sup>2</sup> (for 2026)</b>
<b>Croydon Metropolitan Centre (CMC)</b>	£120	£209.61
<b>Rest of Borough</b>	Nil	Nil

- 2.2 In 2023, the LBC undertook a review of the charging schedule and commissioned BNP Paribas Real Estate (BNPPRE) to undertake the London Borough of Croydon: Community Infrastructure Levy Viability Review (BNPPRE, 2024) (BNPPRE Viability Review 2024) to consider the existing charging rates and determine if they are still appropriate given the current market conditions, development viability and emerging policies in the Croydon Local Plan partial review across various development types.
- 2.3 The BNPPRE Viability Review 2024 (paragraph 2.43) identified that the LBC and the adjoining area in the London Borough of Sutton have the largest concentration of industrial and warehousing floorspace in Greater London south of the River Thames. Further, that the LBC has significant opportunities for development through the recycling of vacant and under-utilised secondary office buildings, industrial buildings, car parks and surplus public sector land (paragraph 2.44). A mix of typical industrial and warehousing typologies found in the borough were tested against alternative CIL rates to assess viability in both the Croydon Metropolitan Centre (CMC) and the Rest of Borough Zone.
- 2.4 Based on the evidence, the LBC published a proposed revised charging schedule (LBC-01 Croydon CIL Draft Charging Schedule – April 2025) for statutory consultation in accordance with Regulation 16 of the CIL Regulations 2010 (as amended), on 29 April 2025. The CIL Draft Charging Schedule proposes increased CIL charging rates for some types of development including introducing rates for industrial and warehousing development located in the Rest of Borough Zone, as seen in Table 2 below. No changes were proposed to the extant industrial and warehousing charging rate in the CMC Zone.

**Table 2. Comparative CIL Charging Rates - Industrial and warehousing**

<b>Zone</b>	<b>Adopted rate per/m<sup>2</sup> (April 2013)</b>	<b>Indexed rate per/m<sup>2</sup> (for 2026)</b>	<b>Proposed rate per/m<sup>2</sup> (April 2025)</b>
<b>Croydon Metropolitan Centre (CMC)</b>	£120	£209.61	No change proposed
<b>Rest of Borough</b>	Nil	Nil	£50

- 2.5 On 10 June 2025, Prologis, one of the UK's leading developers of industrial logistics facilities, provided representations (E06) highlighting issues specifically from their business perspective, relating to the proposed industrial and warehousing rates in the Rest of Borough Zone of the CIL Draft Charging Schedule. Concerns were raised with respect to multi-storey industrial buildings and precedent industrial charging rates set out in other London Boroughs.
- 2.6 The LBC met with Prologis on 17 October 2025, 20 November 2025 and 22 January 2026 to address the issues raised in their representation (E06). On 5<sup>th</sup> January 2026, Prologis provided an Explanatory Note (Appendix B) to provide further background on the issues to support this SoCG. Key matters and areas of agreement are set out below.

### **3. Key Matters**

#### **Multi-storey industrial buildings**

- 3.1 Multi-storey industrial buildings are an emerging development typology that can provide intensified industrial facilities in areas where employment land scarcity is a challenge, such as in London<sup>2</sup>. These industrial developments, by design, incorporate the provision of ancillary uses such as access roads, ramps, and service yard elements within the Gross Internal Area (GIA). This is unlike single-storey industrial developments where these servicing yards and ancillary areas are external and exempt from CIL charges. It is noted that there are currently no multi-storey industrial developments in the borough of Croydon.

<sup>2</sup> Making Space: Accommodating London's industrial future: *Report of the Industrial Land Commission* (Centre for London, 2022) <https://centreforlondon.org/wp-content/uploads/2022/01/CFL-IndustrialLand-v4-1.pdf>

- 3.2 Prologis considers that by including these servicing areas within the GIA which would therefore be calculated within the CIL chargeable floorspace, could result in a disproportionate CIL liability for intensified industrial formats. Further, that the proposed CIL Draft Charging Schedule could potentially undermine the Greater London Authority's (GLA) London Plan 2021, policy E7 that encourages industrial intensification through the development of multi-storey industrial schemes.
- 3.3 Prologis also raised similar concerns regarding CIL levies applied to multi-storey industrial developments during the Old Oak Park Royal Development Corporation (OPDC)<sup>3</sup> CIL Draft Charging Schedule examination in 2023/24. Following discussions, OPDC agreed to modify its Charging Schedule to exclude "enclosed access roads, ramps and service yards within multi-storey industrial developments" from the CIL-liable GIA, to ensure fairness and viability which was subsequently agreed as a modification to the proposed Charging Schedule by the appointed Examiner. It is noted that the London Borough of Ealing's CIL Draft Charging Schedule Examination held in 2025 resulted in an equivalent outcome.
- 3.4 The LBC notes that the CIL Regulation 2010 (as amended) does not include a clear definition of GIA and is therefore at the charging authority's discretion to determine the relevant GIA for each building. The LBC relies on the Royal Institute of Chartered Surveyors' (RICS) definition of GIA set out in Section 2 the RICS Code of Measuring Practice (effective 2015) which states that GIA should include areas occupied by internal walls and partitions. This would result in internal ancillary serving areas typical of multi-storey industrial developments being liable for CIL.
- 3.5 Notwithstanding paragraph 3.4, the LBC refers to the CIL Regulations 2010 (as amended) which provides guidance on how to calculate the chargeable amount of CIL payable. In accordance with Regulation 40(11) for the purposes of calculating CIL; a 'building' does not include —
- i. a building into which people do not normally go,
  - ii. a building into which people go only intermittently for the purpose of maintaining or inspecting machinery, or,
  - iii. a building for which planning permission was granted for a limited period

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<sup>3</sup> The Old Oak and Park Royal Development Corporation (OPDC) is a Mayoral Development Corporation (MDC), established by the Mayor of London to secure the regeneration of the Old Oak Opportunity area, spanning land in three London boroughs – Ealing, Brent and Hammersmith & Fulham

- 3.6 The LBC has considered Prologis' concerns and supporting information provided in the Explanatory Note (paragraphs 1.3 to 1.15) and agrees that the CIL Draft Charging Schedule should be modified to exempt enclosed access roads, ramps and service yards areas within multi-storey industrial developments from the CIL chargeable floorspace for industrial and warehousing uses in the Rest of the Borough Zone. This modification is intended to apply to the servicing areas which would typically be considered outside the Gross Internal Area (GIA) in comparable single-storey industrial developments. These elements are usually exterior to the building and would be areas which people do not normally go, or intermittently go for the purpose of maintaining or inspecting servicing and operations of the building, aligned with the CIL Regulations 2010 (as amended), as well as the approach recently taken with other London Boroughs.
- 3.7 The parties agree that the proposed modification provided in Table 4 is a pragmatic and reasonable approach given the supporting evidence and would further support the GLA's London Plan 2021 policy objectives to encourage the intensification of industrial developments in London.

#### CIL Charging Rate

- 3.8 As seen in Table 2, the Croydon CIL Draft Charging Schedule proposed to introduce a charging rate of £50 per square metre for industrial and warehousing development in the Rest of the Borough zone.
- 3.9 The proposed rates were informed by the BNPPRE Viability Review 2024 which tested alternative CIL rates including £25, £50 and £75 per square metre for different industrial and warehousing development typologies (as seen in table 4.24.1 of the review). The viability testing indicated that different forms of industrial development have significant varying capacity to absorb a CIL charge (in addition to Mayoral CIL which already applies to industrial schemes). Based on these findings, BNPPRE suggested that the industrial and warehousing rate could be increased from nil to £50 in the Rest of Borough Zone. Moreover, that the suggested rates strike a balance between the desirability of raising funds for infrastructure and the impact on the viability of development across the area as a whole, aligned with the CIL Regulations 2010 (as amended).
- 3.10 Prologis raised concerns that the proposed industrial rate applicable in the Rest of Borough zone were excessive and significantly higher than in other

London Boroughs, such as recently adopted charging schedules in the OPDC, the London Borough of Ealing and some other nearby boroughs in London which typically have equivalent CIL rates within the range of £25–£40 per square metre, with some authorities applying lower or nil rates. Further discussion is provided in paragraphs 1.16 to 1.21 of the Explanatory Note.

- 3.11 Prologis proposed that based on the evidence and a comparative review, a revised rate closer to £35 per square metre would be more appropriate to support development viability and overall objectives of the CIL Regulations 2010 (as amended).
- 3.12 The LBC has reviewed the Prologis Explanatory Note in relation to the CIL Charging Schedules recently adopted at the London Borough of Ealing and OPDC which introduced CIL rates for industrial developments between £35 to £40 per square metre<sup>4</sup> (excluding enclosed access roads, ramps and service yards access ramps for multi-storey industrial development).
- 3.13 The LBC considers that reducing the proposed rate from £50 to £35 per square metre is not in conflict with the supporting evidence provided in the BNPPRE Viability Review 2024, noting a rate of £35 per square metre was within the range of alternative charging rates tested for industrial development.
- 3.14 The LBC also appreciates that some forms of industrial development do not generate significant surplus values above existing use values. The £35 per square metre rate is effectively a nominal rate, reflecting a reduced percentage of construction costs when compared to the £50 per square metre rate.
- 3.15 Both parties agree that reducing the proposed rate to £35 per square metre would support growth in the borough while ensuring that industrial and warehousing development schemes could still come forward.

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<sup>4</sup> CIL rate prior to annual indexation

#### 4. Agreed modifications

- 4.1 In recognition of the issues raised above, LBC and Prologis agree on the proposed modifications provided in Table 4 for the Examiner's consideration. Proposed deleted text is shown as ~~struck through~~ and new insertions are indicated in red text.
- 4.2 The parties agree that these modifications would assist in aligning the CIL Charging Schedule with the London Plan, ensure equitable treatment of intensified industrial development, and support viability and infrastructure delivery in Croydon.

**Table 4. Proposed modifications to the Croydon CIL Draft Charging Schedule**

Section of the CIL Draft Charging Schedule	Proposed Modification			
Section 2: Within the area designated the <b>Rest of the Borough</b> on the CIL zones map 2025 (See Appendix 1)	Extracted from Table 2.			
	Development type	Adopted rate per m <sup>2</sup> in April 2013 Charging Schedule	Indexed rate per m <sup>2</sup> for 2025	New proposed rate per m <sup>2</sup>
	Industrial and warehousing *	Nil	Nil	£50 £35
*Excluding floorspace comprising enclosed access roads, ramps and service yards 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.)				

#### 4. Signatories

<b>Signed on behalf of the London Borough of Croydon</b>		
<b>Name and Position:</b>	<b>Signature:</b>	<b>Date:</b>
Julia Dawe  Plan Making and CIL S106 Team Leader  On behalf of:  Steve Dennington  Head of Spatial Planning, Growth Zone and Regeneration		23/2/26

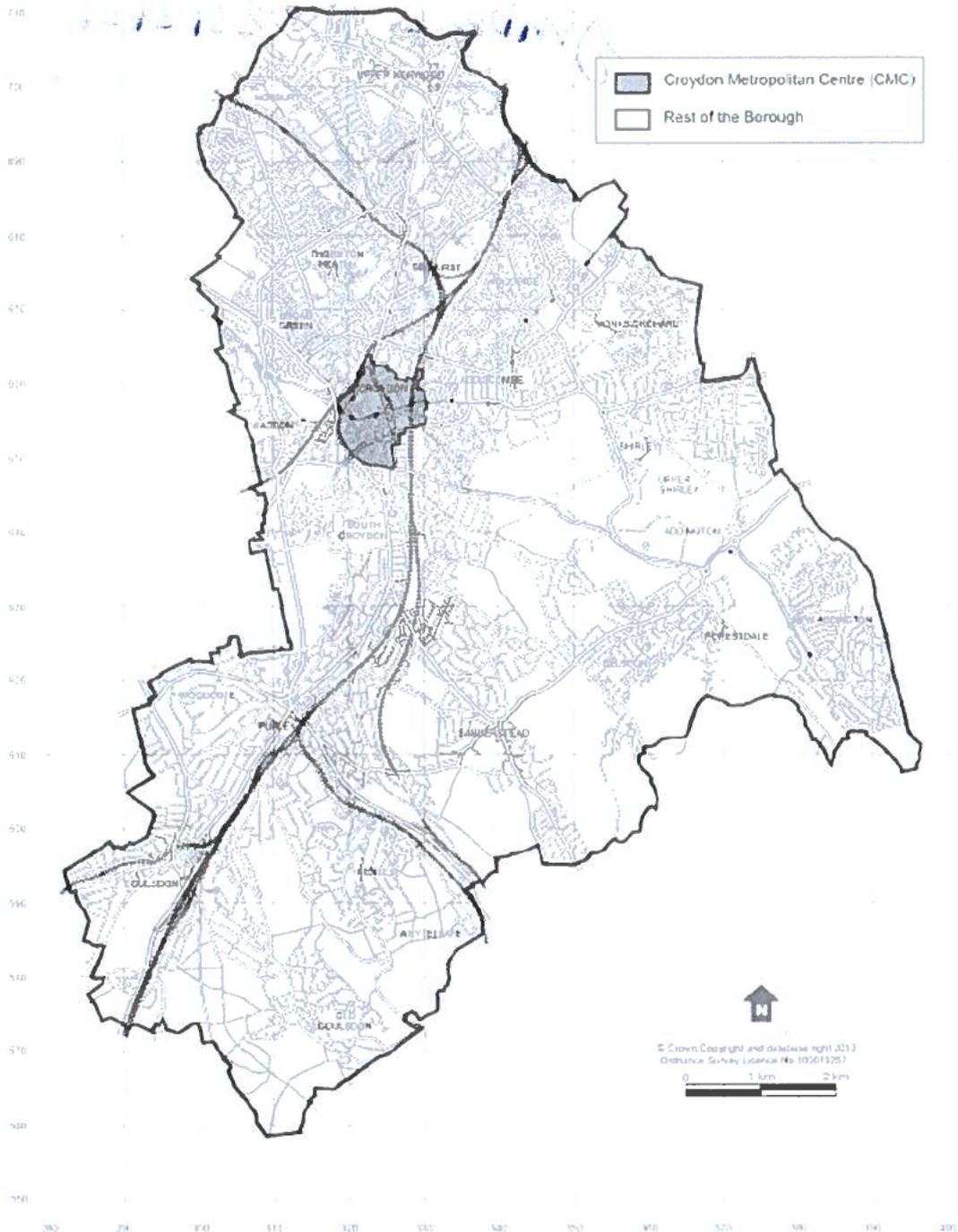
<b>Signed on behalf of Prologis UK Limited</b>		
<b>Name and Position:</b>	<b>Signature:</b>	<b>Date:</b>
Nick Smith Head of Legal		23 February 2026

## Appendix A – Croydon CIL Charging Schedule 2013, Charging Zones Map

Croydon Council

Community Infrastructure Levy Charging Zones Map  
in support of the Charging Schedule of Rates

April 2013



**Appendix B – Prologis Explanatory Note, 5 January 2025**



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**Date** 5<sup>th</sup> January 2025  
**To** London Borough of Croydon  
**From** Prologis UK Limited

**Subject** **Croydon Draft CIL Charging Schedule**  
**Statement of Common Ground Explanatory Note**

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#### Introduction & background

- 1.1 This Explanatory Note is intended to provide further background information to support Prologis' representation to the Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule, submitted to the London Borough of Croydon ("LBC") on 10 June 2025.
- 1.2 The Explanatory Note also supports a Statement of Common Ground ("SoCG") between the LBC and Prologis in respect of the Draft Community Infrastructure Levy ("CIL") Charging Schedule ("DCS") which will be submitted to the Examiner for their consideration as part of the Examination in Public process.

#### The application of CIL on multi storey industrial buildings

- 1.3 Prologis is focused on the intensification of industrial land, including the delivery of multi storey schemes, as explicitly encouraged by the GLA and the London Plan 2021 (Policy E7). Prologis owns a significant portfolio of industrial assets across London and, where appropriate, will redevelop these sites to meet the growing needs of its customers and London as a whole. Prologis has unrivalled experience of multi storey logistics schemes globally, having delivered such developments in Japan since 2002, comprising 112 buildings totalling over 82 million sq ft. This experience, alongside extensive research and analysis of the UK commercial market, has informed the highly specialist and technical design of its London multi storey industrial concept.
- 1.4 As set out in the CIL Regulations (2010 as amended), the amount of levy that is payable is typically calculated by multiplying the additional gross internal area ('GIA') by the rate for a particular development type. The rate is set out in the relevant charging schedule. However, the term GIA is not defined in the regulations. It is a matter for charging authorities to determine what aspects of a development should be included in the calculation, however it is commonly understood that the RICS definition of GIA is used as the basis for this calculation.
- 1.5 The priority issue is that under the proposed Croydon CIL DCS, on a traditional single storey industrial development, the access roads and service yards are all external, which do not form part of the floorspace of the building and, therefore, would not be CIL liable. However, by comparison, the service yards and access roads (ramp areas) in certain multi storey schemes would be CIL liable on the basis that they are enclosed and form part of the GIA floorspace. This would not, therefore, be an equitable or reasonable approach.
- 1.6 For the purpose of this explanatory note, a typical example of the sort of scheme which Prologis is seeking to bring forward in London is a multi storey (six floors) logistics facility providing c.36,000sqm of commercial/warehousing lettable floor space with ancillary uses, car parking, enclosed access roads, service yards and ramps.



1.7 The table below provides an indicative breakdown of floorspace using an example multi storey scheme (not taking into account any existing floorspace for the purpose of calculating the chargeable amount), and the proposed CIL DCS which proposes a CIL rate of £50 per sqm for industrial and warehousing floorspace (for the Rest of the Borough Zone):

Table 1 – Indicative CIL liability on single storey and multi storey industrial schemes in Croydon in the Rest of Borough Zone

Single storey (one floor)		Multi storey (six floors including ground level)	
Operational/lettable floorspace	6,000 sqm	Operational/lettable floorspace	36,000 sqm
Service Yard	3,000 sqm	Enclosed service yard	18,000 sqm
Ramp/Access road area	2,000 sqm	Enclosed ramp	11,000 sqm
<b>Total floorspace</b>	<b>11,000 sqm</b>	<b>Total floorspace</b>	<b>66,000 sqm</b>
<b>Total GIA that is CIL liable</b>	<b>6,000 sqm</b>	<b>Total GIA that is CIL liable</b>	<b>66,000 sqm</b>
Draft DCS (£50/sqm)			
Chargeable amount	<b>£300,000</b>	Chargeable amount	<b>£3,300,000</b>
Chargeable amount <i>excluding service yards and ramps</i>	<b>£300,000</b>	Chargeable amount <i>excluding service yards and ramps</i>	<b>£1,800,000</b>
Indicative CIL liability			
Total CIL liable floorspace of six individual single storey schemes	36,000 sqm	Total CIL liable floorspace of multi storey (six-storey) schemes	66,000 sqm
<b>Total chargeable amount</b>	<b>£1,800,000</b>	<b>Total chargeable amount</b>	<b>£3,300,000</b>

1.8 It should be noted that the example reflects a typology of a large covered service yard at every level of the building which is accessed via an enclosed vehicle ramp. This is typical of the sort of buildings which Prologis and other industrial developers would like to bring forward in Croydon in the future. This is different to other examples of multi storey schemes which may not include service yards above ground level and do not rely on vehicle ramps.

1.9 In the case of the above example, the enclosed access roads, ramp and service yards equates to over 40% of the gross internal floorspace of the building. Under the proposed CIL DCS, multi storey schemes would pay a disproportionate and unjustified amount of CIL in comparison to single storey schemes with a requirement of c.80% more CIL, despite delivering the same amount of lettable floorspace as single storey schemes, if delivered across six individual sites.

1.10 The National Planning Practice Guidance (NPPG) paragraph 022 states that “Charging schedules with differential rates should not have a disproportionate impact on particular sectors or specialist forms of development”. It is therefore not considered appropriate for multi storey schemes to pay such a significantly greater proportion of CIL compared to single storey industrial developments.

1.11 This issue is a critical strategic point for the development of multi storey industrial developments within Croydon, and potentially across the whole of London as individual boroughs revise their CIL rates (and also when the Mayoral CIL is revisited). It would also prejudice the London Plan 2021 strategic objectives to promote industrial densification and multi storey developments.



#### *OLD OAK AND PARK ROYAL DEVELOPMENT (OPDC) PRECEDENT*

- 1.12 During the preparation and examination of the OPDC CIL Charging Schedule (2024), it was accepted that certain servicing-related floorspace in industrial developments does not function as conventional operational or lettable floorspace. In particular, enclosed ramps were excluded from the calculation of CIL liability, recognising that such ramps are an essential servicing component of multi storey industrial development and do not represent a meaningful intensification of use.
- 1.13 The Examiner's report in relation to Industrial / Warehousing Relief provides further support for this position. The Examiner endorsed an approach whereby enclosed floorspace created solely to facilitate servicing and operational requirements in industrial developments should not be charged CIL. The Examiner concluded that such floorspace does not constitute a traditional expansion of functional or operational floorspace and that charging CIL on these areas would risk undermining development viability, particularly for specialist and multi storey formats.

#### Ealing Precedent

- 1.14 In a similar manner, issues relating to the treatment of servicing floorspace within multi storey industrial development were considered during the preparation and examination of the London Borough of Ealing's CIL Charging Schedule approved by Full Council on 16 December 2025. Prologis engaged constructively with the Council to explain the functional role of enclosed access roads, ramps and servicing areas within multi storey industrial schemes and the potential viability implications of charging such areas as CIL-liable floorspace. Following this collaborative engagement, the Ealing Charging Schedule was progressed on the basis that enclosed ramps and servicing areas within multi storey industrial development should be excluded from CIL liability. This outcome further demonstrates a consistent and pragmatic approach across London authorities, recognising that such areas do not constitute additional operational or lettable floorspace and should not be treated as chargeable development for CIL purposes.

#### Proposed approach

- 1.15 Taking the above into account, it is considered appropriate, in line with the Planning Practice Guidance (PPG), to exclude ancillary enclosed access roads, ramps and service yard areas within multi-storey schemes from CIL. Such an approach is justified on viability grounds and reflects the discretion available to Croydon and other LPAs to exclude certain areas or forms of development from CIL.



CIL Charging Rate for Industrial and Warehousing Development

1.16 This Explanatory Note also discusses the appropriate CIL charging rate for industrial and warehousing development within the Rest of the Borough Zone.

1.17 The Draft Charging Schedule proposes a CIL rate of £50 per square metre for industrial and warehousing development in this zone, informed by the Community Infrastructure Levy Viability Review prepared by BNP Paribas Real Estate (BNPPRE, 2024). The Review tested alternative CIL rates of £25, £50 and £75 per square metre across a range of industrial typologies and identified significant variation in the capacity of different forms of industrial and warehousing development to absorb CIL, particularly when accounting for construction costs, existing use values and the cumulative impact of the Mayoral CIL.

1.18 Prologis has reviewed the evidence underpinning the Draft Charging Schedule, including the BNPPRE Viability Review, the viability characteristics of modern industrial and logistics development, and comparative CIL rates adopted elsewhere in London (table 2). Consideration of the proposed CIL rates has also had regard to Regulation 14 of the CIL Regulations 2010 (as amended), whereby;

*In setting rates (including differential rates) in a charging schedule, a charging authority must aim to strike what appears to the charging authority to be 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.*

1.19 This comparative review demonstrates that industrial and warehousing CIL rates typically fall within the range of £25–£40 per square metre, with some authorities applying lower or nil rates. Recent examinations at OPDC and the London Borough of Ealing resulted in rates of £35–£40<sup>1</sup> per square metre, reflecting explicit recognition of viability constraints, including for intensified and multi-storey industrial formats.

Table 2. Comparison of CIL charging rates in other London boroughs

Borough	Effective From	Industrial/All other uses (2026 Indexed rate)
ODPC	April 2024	£36.75 per/sqm
Ealing	March 2026	£40 per/sqm
Royal Borough of Greenwich	July 2024	£26.25 per/sqm
Barnet	April 2022	£24.09 per/sqm
Hillingdon	August 2014	£8.44 per/sqm
Hounslow	July 2015	£20 per/sqm
Brent	July 2013	£0 per/sqm
Hammersmith and Fulham	May 2015	£0 per/sqm
Harrow	October 2013	£0 per/sqm

<sup>1</sup> CIL rate prior to annual indexation.



## Proposed approach

- 1.20 Having regard to the BNPPRE Viability Review 2024 and comparative CIL rates in other London Boroughs (Table 2), Prologis considers a reduced industrial and warehousing charging rate from £50 to £35 per square metre for the Rest of the Borough Zone is justified. The reduced rate falls within the range of alternative charging rates tested in the Viability Review and would represent a proportionate charge in accordance with the objectives of the CIL Regulations 2010 (as amended) which would help mitigate the impact of CIL on economic viability and support the delivery of industrial development in Croydon.
- 1.21 Based on the above, it is recommended that the LBC considers a modification to the CIL Draft Charging Schedule to reduce the proposed rate for Industrial and Warehousing uses to £35 per square metre in the Rest of the Borough Zone.

## Summary

- 1.22 It is viewed that in the absence of the proposed amendments set out in this Explanatory Note, the CIL Draft Charging Schedule would risk having a disproportionate impact on the viability and deliverability of multi storey industrial development, with consequential implications for the delivery of industrial intensification within the borough of Croydon. Having reviewed the Council's viability evidence, relevant London precedent and the viability characteristics of modern industrial development, it is evident that the exclusion of enclosed access roads, ramps and service yard areas from CIL liability, together with the application of a reduced industrial and warehousing CIL rate of £35 per square metre, is justified and supported by evidence. This approach would ensure that the revised Croydon Charging Schedule is equitable, viable and consistent with national policy, guidance and established practice elsewhere in London.