

## Appendix 3 – Amendments to the Funding Gap and CIL Income Projections

### 1. Introduction

1.1 This document sets out the changes to the CIL income projections and funding gap as a result of the amendments to some of the rates as proposed in the Statement of Modifications. This document should be viewed in conjunction with the Infrastructure Planning and Funding Gap Report published as part of Tower Hamlets' consultation on its Revised Draft Charging Schedule.

### 2. Change to Funding Gap

2.1 The residual funding gap is calculated by subtracting the projected CIL income (£199.75m) from the aggregate funding gap (£377.25m) and is required for a charging authority to be able to charge CIL. The following equation sets out the approximate amended funding gap taking account in the rates as proposed in the Statement of Modifications: -

$$\pounds 377.25\text{m} - \pounds 199.75\text{m} = \pounds 177.5\text{m}$$

2.2 The approximate residual funding gap is £177.5m and therefore Tower Hamlets is able to charge CIL.

### 3. Change to CIL Income Projections

3.1 The tables set out below replace the projected CIL income set out in Appendix D of the Infrastructure Planning and Funding Gap Report. The projections are based on assumptions relating to the projected development pipeline of the borough.

#### 3.2 CIL Income Projections Based on a Zero Discount for Existing Floor Space

3.2.1 The projected CIL income for the period of 2014-2026 is £199,728,970. The following tables provide a breakdown of this projected income: -

##### 2014-2016

Development type	Zone 1	Zone 2	Zone 3	Total
Residential	£19,263,000	£1,457,885	£1,250,725	£21,971,610
	Docklands	City Fringe	Rest of Borough	
Office	£4,500,000	£0		£4,500,000
Convenience retail	£0	£122,160	£202,920	£325,080
Other retail	£630,000	£192,710		£822,710
Hotel	£0	£0	£0	£0
Student Housing	£0	£0	£0	£0
Other uses	£0	£0	£0	£0
Total				£27,619,400
Annual Average				£9,206,467

**2017-2021**

Development type	Zone 1	Zone 2	Zone 3	Total
Residential	£84,080,800	£4,884,815	£1,454,670	£90,420,285
	Docklands	City Fringe	Rest of Borough	
Office	£4,500,000	£3,737,520		£8,237,520
Convenience retail	£0	£528,600	£2,265,360	£2,793,960
Other retail	£630,000	£833,490		£1,463,490
Hotel	£0	£358,740	£3,508,020	£3,866,760
Student Housing	£0	£0	£0	£0
Other uses	£0	£0	£0	£0
Total				£106,782,015
Annual Average				£21,356,403

**2022-2026**

Development type	Zone 1	Zone 2	Zone 3	Total
Residential	£47,149,000	£5,803,200	£5,171,215	£58,123,415
	Docklands	City Fringe	Rest of Borough	
Office	£4,500,000	£0		£4,500,000
Convenience retail	£0	£0	£943,920	£943,920
Other retail	£630,000	£0		£630,000
Hotel	£0	£0	£1,130,220	£1,130,220
Student Housing	£0	£0	£0	£0
Other uses	£0	£0	£0	£0
Total				£65,327,555
Annual Average				£13,065,511

**3.3 CIL Income Projections Based on a 30% Discount for Existing Floor Space**

3.2.1 The projected CIL income for the period of 2014-2026 is £164,886,675. The following tables provide a breakdown of this projected income: -

**2014-2016**

Development type	Zone 1	Zone 2	Zone 3	Total
Residential	£15,127,600	£1,372,280	£1,250,725	£17,750,605
	Docklands	City Fringe	Rest of Borough	
Office	£3,150,000	£0		£3,150,000
Convenience retail	£0	£122,160	£165,120	£287,280
Other retail	£441,000	£192,710		£633,710
Hotel	£0	£0	£0	£0
Student Housing	£0	£0	£0	£0

Other uses	£0	£0	£0	£0
Total				£21,821,595
Annual Average				£7,273,865

### 2017-2021

Development type	Zone 1	Zone 2	Zone 3	Total
Residential	£73,665,400	£3,203,525	£1,347,745	£78,216,670
	Docklands	City Fringe	Rest of Borough	
Office	£3,150,000	£3,717,540		£6,867,540
Convenience retail	£0	£520,080	£2,152,440	£2,672,520
Other retail	£441,000	£819,980		£1,260,980
Hotel	£0	£358,740	£3,508,020	£3,866,760
Student Housing	£0	£0	£0	£0
Other uses	£0	£0	£0	£0
Total				£92,884,470
Annual Average				£18,576,894

### 2022-2026

Development type	Zone 1	Zone 2	Zone 3	Total
Residential	£34,867,800	£5,490,095	£5,171,215	£45,529,110
	Docklands	City Fringe	Rest of Borough	
Office	£3,150,000	£0		£3,150,000
Convenience retail	£0	£0	£858,360	£858,360
Other retail	£441,000	£0		£441,000
Hotel	£0	£0	£202,140	£202,140
Student Housing	£0	£0	£0	£0
Other uses	£0	£0	£0	£0
Total				£50,180,610
Annual Average				£10,036,122