

# Preparations bill paves the way for £52m to be spent on IT Treasury on the defensive over PGS start-up costs

Patrick Clift

The Treasury has defended the huge cost of implementing the planning gain supplement, amid doubts that the controversial land tax will ever be implemented.

The property industry has warned that a land tax will prove unworkable, while the Conservative Party has pledged to repeal it when it comes to power. However, the head of the Treasury's property tax team said it was pressing ahead with a PGS preparations bill, which paves the way for £52m to be spent on IT systems to administer PGS. It receives its final reading on Tuesday (20 February).

Miles Gibson told *EG*: "The government regularly seeks authority from parliament to spend money in anticipation of

## CALL FOR LARGE-SCALE EXEMPTIONS

Arlington, the Macquarie Goodman-owned developer, is calling for large-scale developments to be exempt from PGS. In its consultation response, drafted by Scott Brownrigg, Arlington said applying PGS to major developments may lead to developers being distanced from

community involvement.

It said it was concerned that permissions for large-scale projects may be delayed over minor matters, but that these could be reduced by introducing planning obligations at the development plan stage, rather than at the point of planning permission.

a decision. Given past criticism of the government concerning the implementation of IT systems, we would rather start early to try to get it right than start at the last minute."

Gibson added that PGS would be introduced in 2009 at the earliest, if proven "workable and effective". He acknowledged that there were technical issues to be resolved but said that the

Treasury did not anticipate "any show-stoppers".

He also claimed developers would prefer PGS to the section 106 system as it would offer greater certainty and clarity. However, the levy envisaged by the Treasury will raise contributions above the £1.15bn raised by the section 106 regime, in spite of exemptions mooted for small businesses.

## New Covent Garden market to bear fruit

Plans for the redevelopment of London's largest fresh produce market were outlined this week.

The Covent Garden Market Authority, the government body that operates New Covent Garden in Vauxhall, SW8, has agreed a design brief for the rundown 56-acre site.

CGMA specified that it wanted a 625,000 sq ft scheme on the Defra-owned land in a bid to secure the market's long-term future. It is set to draw up a list of redevelopment options before going out to public consultation in the summer.

The 1974-built single-storey market houses 250 tenants in 564,000 sq ft of trading space. The proposed scheme is likely to move existing tenants into two-storey buildings and release surplus land for other commercial uses. A sale of the market is expected to pay for the redevelopment.

## C&W checks in five new members to hotels team

Cushman & Wakefield has poached KPMG's hotel advisory team in a bid to take on CB Richard Ellis and Jones Lang LaSalle's hotels teams.

The appointments follow the defection of two directors last year. Martin Armitstead and Richard Candey left the firm in November to set up a new European hotel practice at DTZ.

Nick Pattie, who previously ran KPMG's hospitality and leisure advisory services, joins Cushman & Wakefield Hotels as managing director. Pattie, whose KPMG team has advised on

£4bn of hotel deals, takes Philip Camble and Paul Thomas with him. They join as director and associate director, respectively.

C&W Hotels has also hired CBRE's Central and Eastern European hotels team. Stewart Coggan joins as director and Frederic Le Fichoux as senior analyst. They will be based at C&W's Prague office.

This, along with last month's appointment of Joel Goldman, formerly of Chesterton International, and John McGuinness, an ex-director of Champney's, boosts the hotels team to 20 staff.

Andrew Williams, chairman of C&W Hotels, said the hotels sector was a strategically important area for C&W and that it was committed to developing the business to become the leading player within the next five years.



Pattie, left, joins Williams at C&W

## CANDY INVESTORS EYE £300M PROFIT



A consortium of investors led by Christian Candy's CPC Group stands to make over £300m in profit if plans for its site at London's Middlesex Hospital, W1, are approved by Westminster council. Last week, it submitted Ken Shuttleworth-designed plans for a 1m sq ft scheme - twice the size of rival bidders' plans. CPC proposes 273 homes and 380,000 sq ft of offices and community facilities at the 3-acre Fitzrovia site. Agents

have estimated that construction costs on top of professional and contingency fees and financing costs could reach £500m, while the scheme will have an end-value of £1bn. The consortium spent £175m on the hospital last year, beating off competition from 19 other bidders, including British Land, Heron and Great Portland Estates. Candy & Candy is the scheme's development manager and interior designer.