

Briefing Note

Date 25 February 2014

The Community Infrastructure Levy (CIL)



All developers need to be aware of the Community Infrastructure Levy (CIL) the means by which developers will be expected to pay for the impact of development on infrastructure such as roads, health, education, transport or recreation. It is set to replace standardised contributions secured through planning obligations (Section 106 agreements) over the next couple of years.

What is CIL?

CIL is a standardised charge imposed on certain kinds of development in England and Wales and calculated on the basis of net additional floor space created. The charge is to pay for local or sub-regional infrastructure – affordable housing is specifically excluded so affordable housing requirements will continue to be negotiated through planning obligations. Each local authority will adopt its own CIL charging table with different rates for different types of development or even different zones – they can set a nil rate if they choose. Residential developments can expect to pay the most with typical sums looking likely to be in the region of £100 per square metre (much more in London). Authorities seem to be going light on commercial developments with almost all setting a nil rate.

CIL applies to any new build, whether a new building or extension, with a gross internal floor space of 100 square metres or more or involves the creation of one dwelling (even when that is below 100 square metres). The floor space of any existing buildings on the site that are going to be demolished may be deducted from the calculation of the CIL liability but only if they have been occupied continuously for six months in the previous three years. There are now exemptions in place for people building or extending their own home ("self-builders") as well as for social housing and some development for charitable purposes.

When is CIL being introduced?

CIL is slowly being rolled out by the individual local authorities. Each authority must go through a time-consuming process of consulting on the charging schedule which must then be independently examined by a Planning Inspector before it can be introduced. Those charging in our area are Borough of Poole, Southampton City Council, Fareham Borough Council, Portsmouth City Council, Havant

Pure Town Planning Limited info@puretownplanning.co.uk puretownplanning.co.uk

Dorset Office Suite 17 Pine Court | 36 Gervis Road | Bournemouth | BH1 3DH 01202 585524

Hampshire Office 1 Hill Rise | Twyford | Winchester | SO21 1QH 01962 710317

Pure Town Planning Limited is a limited company registered in England and Wales Registered No 7863004

Registered Office 7 Trinity, 161 Old Christchurch Road, Bournemouth BH1 1JU

Borough Council and Winchester City Council. More authorities are expected to begin charging over the next 12 months.

Local authorities are not obliged to introduce the CIL however from April 2015 they will no longer be able to collect pooled Section 106 contributions towards infrastructure – something those which haven't adopted CIL all do at the moment without exception. The Government have rolled this date forward twice now due to authorities taking much longer than expected to adopt CIL.

When is CIL paid?

The charge is notified immediately following grant of planning permission. By default full payment is required within 60 days of the commencement of development. There may be the possibility of payment by instalments over a longer period if the local authority has adopted an "instalment policy". Subject to agreement with the local authority, larger phased planning permissions can have phases treated as separate chargeable developments

What if CIL is not paid?

Late payment of CIL may result in interest and surcharges. Non-payment could result in a CIL Stop Notice which works in a similar way to a planning Stop Notice – effectively making it illegal to proceed with the development.

What should I do about CIL?

It is worth paying attention to the progress of CIL adoption in those local authorities where it is not already in place. Firstly you can respond to consultations on proposed CIL charges. If you think the charges are excessive then you can let the Council know – authorities may reduce charges if many developers protest that they are too high. Secondly it is worth anticipating when CIL is to be introduced. CIL charges for residential schemes tend to be higher than under the previous regime (and considerably so in many cases) and so it may be worth securing a new planning permission or renewing an existing one before CIL comes into effect. For commercial uses, local authorities are tending to set zero CIL rates so for this type of development it might be worth waiting.

If you are concerned about how CIL may affect you then give Pure Town Planning a call. Also keep checking the Pure Town Planning website puretownplanning.co.uk for the latest updates on CIL progress throughout the south.

Did you find this Briefing Note helpful? We welcome all feedback – let us know your thoughts at info@puretownplanning.co.uk.

This Briefing Note provides a general guide to the Community Infrastructure Levy in England and Wales and is not a substitute for professional town planning advice. No liability can be accepted for reliance on this Briefing Note alone.