

# Briefing Note

Date 01 August 2012

## 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 most 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 for more than six of the previous twelve months.

### When is CIL being introduced?

The legislation is in place but CIL is very much in its infancy with only a handful of local authorities in England already charging – Portsmouth being the only one in the south. However many more authorities will begin charging over the next 12 months. Each authority must consult on the charging schedule and it must then be independently examined (usually by a Planning Inspector) before it can be introduced. The local authorities in the South are at various stages in the process. The next authority set to begin charging is the Borough of Poole, followed by Havant Borough Council and New

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Forest District Council (outside the National Park). Local authorities are not obliged to introduce the CIL however from April 2014 they will no longer be able to collect pooled Section 106 contributions towards infrastructure – something they all do at the moment without exception. Given the slow pace of progress of some local authorities it would seem likely that in some areas there may be a gap between this date and the start of any CIL and hence there may be a window of opportunity to avoid any infrastructure payments in a few areas.

### **When is CIL paid?**

The charge is notified immediately following grant of planning permission. Payments are required within 60 days of the commencement of development. For sums up to £10,000 the entire sum must be paid before the 60 days. Larger sums can be paid in instalments over a longer period.

### **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?**

Our advice to developers and landowners is twofold.

Firstly you should respond to all consultations on proposed CIL charges in authorities where you have sites or regularly develop. You should examine any proposed charges and consider how these would affect development costs and viability. If you think the charges are excessive then you need to let the Council know – authorities may reduce charges if many developers protest that they are too high.

Secondly developers and landowners should anticipate when CIL is to be introduced in any areas where they have development sites. Local authorities are taking the opportunity to increase contributions and introduce new infrastructure funding. It is therefore highly likely that CIL charges for residential schemes will be higher than under the previous regime (and considerably so in many cases) and so it is well worth securing a new planning permission or renewing an existing one before CIL comes into effect.

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](http://puretownplanning.co.uk) (or follow us on Twitter [twitter.com/puretownplanning](https://twitter.com/puretownplanning)) 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](mailto: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.