

Appendix 1

CIL the Basics – Briefing Note

What is CIL?:

- A mechanism for developer contributions
- To contribute towards infrastructure needed to support the development of the area
- A charge per square metre of floorspace
- Not mandatory

What is CIL for?:

To help pay for infrastructure needed to support new development

But not to remedy existing deficiencies unless the new scheme will make it worse

Councils must spend the income on infrastructure – but can decide what (and that can change over time)

Some CIL basics:

£ per square metre on net additional (internal) floorspace

Rates can vary by geographic area or use or size

Payment is due when the development starts (or phases or instalments- the charging authority decide)

It is index linked (using BCIS index – only available through RICS)

The developer is responsible for the payments

The local planning authority is the charging authority (& sets the CIL)

When Does CIL apply?:

- To all development that involves 'buildings that people normally go into' with the following exceptions
 - Development under 100sqm gross internal floorspace
 - A single dwelling (even under 100sqm) (but not subdivisions of dwellings)
 - mandatory exemptions for self-build housing, residential annexes and extensions
- Includes permitted development (it doesn't have to follow a planning permission)
- Once set, you can't pick and choose which developments to charge

When setting a CIL you need to :

Strike the appropriate balance between -

the desirability of funding the infrastructure gap to support the development of the area from CIL and the potential effects (taken as a whole) of the imposition of CIL upon the economic viability of development across the area.

(Regulation 14 CIL regs)

Setting a CIL:

- Using evidence from your Infrastructure Delivery Plan (IDP) which supports your plan and growth strategy, identify your aggregate infrastructure funding gap. This is the difference between the infrastructure that you have identified that you need to support your growth and the funding that you have identified is available from other sources. If you have a funding gap you can justify having a CIL.

- You need to determine what rate is viable to charge?
 - Check out the consequence of the rate on key uses
 - Make sure that the rate is backed by evidence
 - Consultation required

The purpose of checking the viability is to ensure that “*..the proposed rate or rates would not threaten delivery of the relevant Plan as a whole (for England, see National Planning Policy Framework paragraph 173)*” National planning Guidance (Paragraph: 038)

- Independent examination is required to test the evidence.

What do you need to set a CIL:

- Evidence on future growth
- Up to date development plan is desirable but not essential
- Evidence on infrastructure funding gap – aggregate gap
- Evidence on viability
- All evidence is ‘appropriate available evidence’
- Rates should be consistent with viability evidence across the area – to avoid accusations of state aid.
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Differential rates:

- The rates can be different between:
 - uses (not just use classes)
 - Different across the geographic area
 - Scale of development
 - (Or a combination of the above)

All differential rates must be based on viability evidence (not policy objectives)

It is up to the charging authority to satisfy state aid requirements

How is the Levy charged:

It is usually a cash contribution but also payment in kind - land or infrastructure. The payment falls due on commencement of the development but the Charging Authority can agree to payment by instalments.

