

# Community Infrastructure Levy

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# Community infrastructure levy – overview and reforms

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# CIL Guide

Document

As at 5<sup>th</sup> November 2013

Outcome of April 2013 Consultation

# Basics of CIL

- CIL rate set by local authority
- Buildings and extensions
- Minor developments excluded
- Specified types of building excluded
- Calculated using internal floor space
- Limited Exemptions
- Trigger when development commenced

# Setting up CIL

Local authority's decision

Process of consultation and examination

Focus on draft charging schedule

Published charging schedule imposes CIL

# Relationship with section 106 agreements

Section 106 agreement limited to

- Site specific matters making development acceptable in planning terms
- Affordable housing
- Developments not subject to CIL

Prohibited from funding projects or types of infrastructure listed on Authority's reg. 123 List

# Pooling restrictions

Prohibition if been five or more planning obligations since 5<sup>th</sup> April 2010 in relation to infrastructure project or type

Effective from introduction CIL or 6<sup>th</sup> April 2014

Proposed extension to 6<sup>th</sup> April 2015

# Mayor's CIL

- Three zones - £50/£35/£20
- Limited application – Crossrail
- Planning obligation adjustments
- Collected by LBC
- Instalments follow LBC policy if have one
- Mayoral development areas



# CIL Objectives

- Easy to comprehend
- Simple to operate
- Certain and transparent
- Increase infrastructure funding
- Reduce negotiation section 106 agreements
- Low cost administration
- Limited appeals

# CIL concerns

- Complexity increasing
- Administrative costs are deterrent
- No guarantee delivery infrastructure
- Discourage developments
- Reduction in new affordable housing
- Increasing role for negotiation
- Increasing bureaucracy

# Devolved tax

Each Council responsible for own area

London – Mayoral CIL as well

Choose whether or not to introduce CIL

Choose when

# Divergence of authorities

Introduction CIL 70/30 split

21 authorities introduced so far

Around 40% not consulted so far

27-30 months process

# Differential rates

Government advice “Keep it simple”

Different rates

- Zones
- Types of development
- Size of development?

# Differing approaches to CIL Rates

## Redbridge

single rate on all developments £70 psm

## Newark

6 residential zones - £0 to £75

8 commercial zones

9 types of development - £0 to £125

# Developer's dilemma

When - Wait for introduction of CIL?

Where - Weigh up differential rates

What – type of development

Design – limit internal floor area

# Proposed changes to CIL regime

- Extensions and annexes
- Highway agreements – avoid double dipping
- Vacancy test
- Phased developments
- Provision of infrastructure in lieu of CIL
- New deadline for pooling restriction



# Legal impact CIL

## CIL liability notice

- appeals
- commencement notice

## Contracts

- incidence CIL
- assumption of liability notice
- responsibility for carrying out steps such as commencement notice

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