



Community Infrastructure Levy - Current Position and Recently Announced Changes

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Background

- CIL Regs effective from April 2010
- Charge on development to fund infrastructure
- Available to Local Authorities but discretionary (or is it?)
- To support development as set out in development plan



Charging Authorities

- Districts
- Met Districts
- Unitaries
- London Boroughs
- Mayor of London (only transport infrastructure)
- National Parks
- London only area with 2 tier charging



Why CIL?

- S106 planning obligations problematic
- Not transparent process
- Not effective for major infrastructure arising from cumulative impact
- Disproportionate impact on major development
- Most development doesn't pay



Benefits of CIL

- Greater legal certainty – set scale of charge with legal obligation to pay
- Captures much broader range of development
- More transparent and predictable - amount to be paid clear at outset



What will it pay for ?

- Broad definition of infrastructure
- Not to replace core funding
- Not to remedy existing deficiencies
- Local Authorities will decide how it is spent
- Up to 5% on admin costs
- Can't fund affordable housing – remains a matter for S106



Spending CIL

- Money can be passed on to pay for infrastructure outside the area
- Charging authorities can pool revenues to support sub-regional infrastructure
- Can be used to 'backfill' funding from other sources
- Authorities can borrow against future CIL income
- Income and spend reported annually



Setting the Charge

- Must have either up to date development plan, or ...
- ... Draft plan submitted for joint examination
- Charging schedule a DPD but not part of statutory plan
- Based on infrastructure planning study
- CIL rate should strike a balance between projected costs of funding and impact on economic viability 'across the area



Setting the Charge

- Charging Schedules must cover all types of development
- Differential rates possible – either for parts of the area or types of development
- Differentials must be justified on basis of economic viability



Setting the Charge

- Draft charging schedule subject to consultation
- Public examination
- Test of reasonableness not soundness
- Recognition that not a precise exercise
- Binding report (changes imminent)
- Charge per sq metre on net increase in floorspace



Collection

- Charging Authorities are responsible for collection
- Payable on all buildings except:
 - Buildings not normally accessed by people
 - Householder development
 - Buildings below 100sq m threshold
- Provision for exceptional circumstances – but onerous and at LPA discretion
- In-kind payment possible but only for transfer of land



Planning Obligations

- Planning obligations and CIL complementary
- Scaling back of S106
- Statutory test introduced from April 2010
- No double charging
- Pooling limited – no more than 5 developments
- S106 based tariffs will end in April 2014



Recently Announced Changes

- A 'meaningful proportion' of funds will go directly to local community
- Examiners reports binding only in ensuring rates not unreasonably high
- More flexibility to phase/defer payments to assist viability
- Threshold for payments in kind (previously £50k) removed
- Provision for ongoing revenue costs
- Community funding in Localism Bill, other changes will need amended regulations



Key Issues for LPAs

- Intention is very clear – S106 will be limited to site specific mitigation and affordable housing, CIL for ‘tariff’ type contributions
- CIL will be the ‘only game in town’ from April 2014 – existing S106 based tariffs will go
- Paying CIL is a legal requirement and non-negotiable – will have first call before S106
- CIL needs to be based on an up to date development plan (or draft for joint examination)
- Will provide a substantial income stream for infrastructure – but not universal panacea



Making it work

- Joint and partnership working essential
- Infrastructure planning a prerequisite
- Corporate awareness and ownership
- Cooperation in 2 tier areas
- Sub-regional infrastructure requirements
- Sound governance arrangements – for charge setting, collection **and** spending



Support for LPAs by POSE

- Infrastructure Planning and CIL Supported Learning Groups <http://www.planningofficers.org.uk/Planning-Officers-Society-Members/POS-Members-Supported-Learning-Groups/CIL-Infrastructure-Planning/>
- Advice notes:
 - Infrastructure Planning and CIL <http://www.planningofficers.org.uk/downloads/pdf/Infrastructure-Planning-and--CIL-Advice-final-220209.pdf>
 - CIL Implementation (due Feb 2011)
- Direct support:
 - developing CIL, officer and member training, development economics
- Tailored support to meet your needs
- Costs can be set against future income



Further Information

- DCLG overview of CIL
 - <http://www.communities.gov.uk/publications/planningandbuilding/communityinfrastructurelevy1>
- Planning Advisory Service info on CIL
 - <http://www.pas.gov.uk/pas/core/page.do?pagelD=122677>
- Local Tariffs – A Way Forward; Planning Officers Society
 - http://www.planningofficers.org.uk/POS-Library/POS-Publications/Local-Tariffs---a-way-forward_30.htm

Responding to Climate Change

Supported Learning Group



Questions

