

Community Infrastructure Levy (CIL) FAQs

What is the Community Infrastructure Levy (CIL)?

The Community Infrastructure Levy is a planning charge, introduced by the Government through the Planning Act 2008 to provide a fair and transparent means for ensuring that development contributes to the cost of the infrastructure it will rely upon, such as schools and roads. The levy applies to most new buildings and charges are based on the size and type of new floor space.

What are the benefits of the Community Infrastructure Levy?

The Government has decided that a tariff-based approach provides the best framework to fund new infrastructure. CIL is considered to be fairer, faster and more certain and transparent than the current system of planning obligations which are generally negotiated on a 'case-by case' basis. Levy rates provide much more certainty 'up front' about how much money developers will be expected to contribute. Through CIL, all but the smallest building projects will make a contribution towards additional infrastructure that is needed as a result of development.

What is infrastructure?

Infrastructure which can be funded by the levy includes schools, transport, flood defences, community facilities and other health and social care facilities. This definition allows the levy to be used to fund a very broad range of facilities such as play areas, parks and cultural and sports facilities. The Levy can be spent on 'the provision, improvement, replacement, operation or maintenance of infrastructure'.

What is the relationship between CIL and planning obligations?

Planning obligations (funding agreements between the local planning authority and the developer) will continue to play an important role in helping to make individual developments acceptable. The CIL is intended to provide infrastructure to support the development of an area rather than to make individual planning applications acceptable in planning terms. As a result, there may still be some site specific impact mitigation requirements without which a development should not be granted planning permission (e.g. affordable housing, local highway and junction improvements and landscaping). Therefore, there is still a legitimate role for development planning obligations to enable a local planning authority to be confident that the specific consequences of development can be mitigated.

What development is liable for CIL?

Development will be liable for CIL if it: Involves new residential build of at least 100m² gross internal area (GIA) floor space; (residential garages are included in gross internal floor space) or involves the creation of one or more dwellings and up to and including nine residential dwellings. This includes development permitted by a 'general consent' (including permitted development).

Why will the Broxbourne CIL not apply to larger residential developments?

Residential developments larger than nine dwellings have to contribute towards affordable housing provision as well as usually paying higher levels of planning obligations. Developments of between one and nine dwellings have to contribute to neither of these. The Council therefore considers that it is fair and proportionate for smaller residential developments to make a contribution towards the cumulative impacts of development on local infrastructure. The viability of the proposed levy on smaller developments has been tested by a Viability assessment and is available as part of this consultation.

Why will the Broxbourne CIL not apply to non-residential development?

There is a very large variety in the scale and type of non-residential developments across the Borough. Introduction of a CIL for different types of such development would create unnecessary complexity. It would also be likely to result in some larger developments making contributions to infrastructure that are much smaller than would be necessary for them to make and financially viable for them to support.

What counts as chargeable floor space?

Chargeable gross internal area (GIA) is the area of a building measured to the internal face of the perimeter walls at each floor level. This includes corridors, storage, toilets, stairs, lifts and garages. The Council uses the RICS Code of Measuring Practice 6th edition definition of Gross Internal Area will be used in all instances.

Who is liable to pay the levy?

The responsibility to pay the levy rests with the ownership of land on which the liable development will be situated. Although liability rests with the landowner, the regulations recognise that others involved in a development may wish to pay. To allow this, anyone can come forward and assume liability for the development.

Is VAT applied to CIL charges?

CIL is outside the scope of VAT

How will CIL respond to inflation?

In calculating individual charges for the levy, charging authorities are required to apply an annually updated index of inflation to keep the levy responsive to market conditions.

How and when is the levy collected?

The levy's charges become due from the date of commencement of a chargeable development. When planning permission is granted, the Council will issue a liability notice setting out the amount of the levy and the payment procedure. Unlike contributions collected through S106 agreements there is no time constraint for the spending of monies collected through CIL. Under the CIL Regulations CIL payments need to be made in full within 60 days of the commencement of the chargeable development.

How will payment of the levy be enforced?

The levy's charges are intended to be easily understood and easy to comply with. Most of those liable to pay the levy are expected to pay their liabilities without problem or delay. However, where there are problems in collecting the levy charging authorities will have the means to penalise late payment. In cases of persistent noncompliance the regulations also enable collecting authorities to consider more direct action such as the issuing of a CIL Stop Notice or applying to the courts for seizure of assets to pay the outstanding monies or for custodial sentences.

Will a development be liable to pay CIL if planning permission is granted before a CIL Implementation date is adopted?

No. There is no CIL liability for a planning permission if that planning permission was granted before the CIL implementation date. The relevant date is the date of the issuing of the planning permission decision notice.

How will the levy be spent?

Charging authorities are required to spend the levy's revenue on what they see as the infrastructure needed to support the development of their area. The levy is intended to focus on the provision of new or improved infrastructure and should not be used to remedy pre-existing deficiencies unless those deficiencies will be made more severe by new development. Broxbourne Borough Council will publish an annual Infrastructure Funding Statement setting out how it has spent monies raised through CIL.

Are there any other exemptions or reliefs from CIL?

The national CIL Regulations exempt or provide details of reliefs for the following from payment of CIL: residential annexes; self-build development; charitable relief; and social housing relief. The Council will advise regarding the application of these reliefs following receipt of a valid planning application.

How will CIL be monitored

To ensure that the levy is open and transparent, charging authorities must prepare short reports on the levy for the previous financial year which must be placed on their websites by 31st December each year. These reports will set out how much revenue from the levy has been received, what it has been spent on and how much is left.