

Community Infrastructure Levy (CIL)

Frequently Asked Questions

What is CIL?

The Community Infrastructure Levy (CIL) is a new levy that local authorities can choose to charge on new developments to help pay for infrastructure needed to support the development, such as schools and roads. It was introduced by Government through the Planning Act 2008.

What are the benefits of CIL?

CIL is intended to provide a fairer, faster and more transparent means of ensuring that development contributes to the cost of the infrastructure it will rely upon, such as schools, roads, health centres or improved public transport.

A charging schedule and list of spending priorities will provide developers with certainty about how much they will be expected to contribute towards infrastructure for their development proposals.

A wider range of developments, including all but the smallest projects, will contribute towards the infrastructure needed to support their development. Under the current system, known as Section 106, only about 6% of all developments (generally only the largest schemes) have contributed towards infrastructure.

There will be a tariff of charges, so contributions from individual developments will be proportionate to the infrastructure needed.

Do Councils have to bring in the CIL?

No. Councils may choose whether to implement CIL in their area. If they choose not to they may continue to use S106 contributions. However, S106 is to be scaled back from April 2015.

In most areas, CIL is expected to raise more funds than S106 has done or will do. It is likely that many charging authorities will choose to implement CIL.

Will CIL be introduced in Lewes district?

We have decided to introduce CIL for the parts of the district outside the South Downs National Park.

The South Downs National Park Authority is the planning authority for all developments within the national park. It will implement CIL in due course. For more information on its plans see: www.southdowns.gov.uk/planning/planning-policy/community-infrastructure-levy

East Sussex County Council will be the charging authority for development for which it is responsible for granting planning permission, including education and minerals and waste schemes.

When will CIL be implemented by Lewes District Council?

We will implement CIL in the parts of the district outside the national park on 1st December 2015. <http://www.lewes.gov.uk/planning/22287.asp>

Who will pay CIL?

The levy will only apply to residential and retail developments. Within these two categories, it will apply to new homes of all sizes, except affordable housing, and to all new build net additional floorspace (including residential extensions) of more than 100 square metres.

CIL will normally be payable by the landowner/developer when the development starts. If a payment by instalments policy has been introduced, payments may be spread accordingly, rather than made in one lump sum.

Who won't pay CIL?

Our Schedule shows that industrial, office, hotel and residential institution developments are zero rated (exempt). This is because we consider applying CIL would deter developments of this kind by making them less viable.

Retail developments of less than 100 square metres additional internal floorspace will not pay CIL.

Conversions/changes of use that do not increase floorspace will also normally not pay CIL.

All CIL rates are informed by local viability evidence and may be reviewed over time, particularly if economic circumstances change, to ensure they remain appropriate.

The CIL Regulations also include exemptions from CIL for:

- Affordable housing
- Charities
- Self-builders
- Buildings that are not normally used/visited by people, except for maintenance etc (e.g. electricity sub-stations)
- Buildings with temporary planning permission
- Where total CIL due is less than £50

These exemptions must, however be applied for in the correct manner through the planning application and CIL liability calculation process. This means using the exemptions claim forms found on the Planning Portal CIL webpage: [CIL Planning Portal](#).

What will CIL be spent on?

It must be spent on infrastructure that will support the delivery of development in the district. This may include roads, schools, community services, sports and leisure facilities and green infrastructure. CIL will be used to support the infrastructure necessary to support development set out in the [Local Plan](#) (this sets out what we plan to do with land in the district and how we will control development).

How does the Council decide how much CIL to charge?

The Council has drafted a CIL Charging Schedule. This sets out the rates that will be applied to different types of development. The charges are expressed in pounds per square metre of liable development floorspace (£/m²).

The rates are based on:

- Evidence of local development viability
- the infrastructure needs identified in the Local Plan, and
- a demonstrated funding gap for the delivery of the identified infrastructure needs

CIL cannot be used to replace funding that has already been identified for infrastructure projects – it is to help bridge funding gaps.

We consulted on our preliminary draft schedule in April-May 2013 and have refined it based on comments received and additional viability evidence. The revised [Draft Charging Schedule](#), was published for consultation May-July 2014.

Before we can start charging CIL, the proposed charging rates must be examined in public by a suitably qualified independent person (such as a Planning Inspector). Only with the Examiner's approval can the Council adopt the Charging Schedule and set a date for starting to charge CIL. The Schedule was examined in March 2015.

The Examiner was satisfied that the proposed charging rates are generally viable and will not undermine delivery of the amount of development set out in the Local Plan. The Council has struck an appropriate balance between the desire to raise money for infrastructure and the desire not to deter development by setting rates too high.

What will happen to S106?

The scope of S106 planning obligations has been scaled back since April 2015. Once CIL is in place, S106 will continue to be used in some circumstances and to secure on-site requirements such as affordable housing. We have published a Clarification on the Future Use of S106 setting out how we will use S106 to secure infrastructure in the future. This document can be viewed on the CIL Examination webpage <http://www.lewes.gov.uk/planning/22279.asp>

Development cannot be double charged by both S106 and CIL for any single item of infrastructure.

Section 278 highways agreements will continue to be used alongside CIL to secure necessary highway improvements.

How will my CIL bill be calculated?

The rates are set in £/m² for different development types. The total payable for any specific development will be calculated using the formulae set out in Regulation 40 of the CIL Regulations 2010 (as amended). CIL must be calculated using the prescribed formulae. We have no powers to use a different method.

Your CIL bill will be calculated by:

Multiplying the amount of liable new floorspace **x** the CIL rate for the development type **x** the index linked figure for the year planning permission was granted; then

Dividing the total by the index linked figure for the year the Charging Schedule was implemented.

For example, for a new house of 200 square metres floorspace, where the residential development CIL charge is 100 £/m² the calculation would be:

$$\frac{200 \times 100 \times \text{Index figure (for the year planning permission granted)}}{\text{Index figure (for the year CIL charge implemented)}}$$

Where the development includes more than one type of chargeable development, the calculation will be applied to each development type. The total bill will be the sum of the totals for each development type.

The index linked figures will be taken from the published All-in Tender Price Index figures¹. CIL rates are index-linked so that once set they will rise or fall in line with inflation to protect their value. This will also avoid the need for regular (annual) resetting of rates, which would require full consultation and re-examination each time. However, the Council will continue to monitor CIL and review and reset the rates as necessary.

¹ Tender Price Index <https://www.gov.uk/government/collections/price-and-cost-indices>

Where the development involves demolition and rebuilding, the demolished floorspace may normally be deducted from the new floorspace figure, reducing the overall CIL liability.

Will my development be liable for CIL if planning permission was granted before a CIL charging schedule implementation date is set?

No. Planning permissions granted before CIL is implemented will not be liable for CIL. The relevant date is the date that the planning permission decision notice is issued. If a planning application is resubmitted and then determined after CIL is implemented (perhaps for renewal or for amendments) CIL would then apply.

Who decides how CIL is spent?

We will work with the county council, town and parish councils and other key infrastructure delivery partners to decide spending priorities. Infrastructure considered 'essential' for the delivery of development set out in the Local Plan and associated Infrastructure Delivery Plan will be prioritised.

We have drawn up a draft list of spending priorities, known as a Regulation 123 List. This was published and consulted on at the same time as the charging schedule, May-July 2014. The draft 123 List was submitted to the CIL Examiner. The list will be regularly monitored and reviewed.

CIL is intended to focus on the provision of new or improved infrastructure, not to remedy existing infrastructure deficiencies unless those deficiencies will be made more severe by new development.

Is VAT applied to CIL?

CIL is exempt from VAT.

Can I find out how the money has been spent?

We will prepare monitoring reports on how much CIL we have received, what it has been spent on, and how much is left in reserve. These reports must be prepared annually by 31 December for the previous financial year and published on the Council's website.

Town and parish councils will also have to produce annual reports of their use of their share of CIL receipts (see below).

Will town and parish councils receive money from CIL?

Town and parish councils will receive a 'meaningful proportion' of the CIL money raised as a result of development within their area. The Department for

Communities and Local Government (DCLG) announced in January 2013 that the 'meaningful proportion' will be 25% of CIL receipts in areas with an adopted Neighbourhood Plan and up to 15% (capped at £100 per existing council tax dwelling) in areas without a Neighbourhood Plan. The scope given to town and parish councils for spending their proportion of CIL is broader than that for district councils.

Will CIL make houses more expensive?

It shouldn't. Developers will not want to make a loss on any project and so normally calculate all costs, including development contributions, before they buy land to ensure they pay a realistic price for the site. Consequently, in most circumstances the original landowner will ultimately pay for CIL through a proportionately reduced land value when they sell to the developer. However, because development land generally has a higher value than other uses the landowner is likely to gain more value from their land compared to its value in its former use, even after accounting for CIL. The eventual sale price of the houses built will continue to be determined by local property market values.

Can CIL be spent on anything else?

CIL receipts are ring-fenced to be used for infrastructure to support developments. There is no time limit for spending CIL so funds may be pooled until there is enough to deliver a priority item of infrastructure identified on the 123 List.

Can CIL payment be enforced?

CIL charges are intended to be easy to understand and comply with. The system anticipates that most people liable will be able to pay without problem or delay as the cost will have been factored into development costs from the outset. However, under the Regulations we have power to penalise late payments or take more direct action against persistent non-compliance including CIL Stop Notices or applying to the courts for seizure of assets to pay the outstanding amount.

Where can CIL be spent?

CIL can be spent on infrastructure anywhere so long as it will support the delivery of development in the charging area in which it was raised. This means we may, for instance, pass CIL money to other authorities for projects outside the district, such as to the county council for transport infrastructure or to the Environment Agency for flood defences.