

COMMUNITY INFRASTRUCTURE LEVY (CIL)

A QUICK GUIDE

Completed by the West Northamptonshire Joint Planning Unit on behalf of the partner Councils of Daventry District, Northampton Borough and South Northamptonshire.

What is the Community Infrastructure Levy (CIL)?

The Community Infrastructure Levy is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. Development may be liable for a charge under the Community Infrastructure Levy (CIL), if your local planning authority has chosen to set a charge in its area.

Does my local authority have to adopt a Community Infrastructure Levy?

No. However, the Government are restricting how Section 106 monies are spent from April 2015. From that point forward a local authority will no longer be able to pool funding from more than five Section 106 planning obligations towards the funding of a particular infrastructure project. It will be increasingly difficult for local authorities to fund large strategic infrastructure projects through Section 106 planning obligations.

The partner Councils of West Northamptonshire are considering adopting individual CILs. Councillors will determine whether to proceed to the next stage in the CIL process once the responses from the Draft Charging Schedule consultations have been considered.

What is a Section 106 planning obligation?

A Section 106 (s106) planning obligation is a mechanism available to planning authorities to make a development acceptable in planning terms. This might include the provision of a new school, a contribution towards a new community centre or the provision of affordable housing. Its name comes from the part of planning legislation to which it relates, Section 106 of the Town and Country Planning Act 1990 (as amended).

The legal tests for when a s106 agreement can be used are set out in regulations and national policy as follows:

“ Planning obligations should only be sought where they meet all of the following tests:

- *necessary to make the development acceptable in planning terms*
- *directly related to the development; and*
- *fairly and reasonably related in scale and kind to the development.”*

Even where a CIL is adopted, s106 agreements can continue to operate where they meet the above tests.

How does the Community Infrastructure Levy work?

Charging authorities must produce a charging schedule, which sets out their levy rate. This can be one standard rate or it can set specific rates for different areas and types of development.

The levy is charged on extensions over 100m², replacement dwellings which involve an increase in floor space over the original of more than 100m², and brand new dwellings of any size. Buildings which ‘people do not normally go into’, such as for storing plant or equipment, will be exempt.

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There will be no CIL charge for applications to change the use of a building unless additional floorspace is created. There will be no charge for the subdivision of existing dwellings, self-build dwellings and extensions, subject to conditions. Affordable housing and development for charitable purposes are also exempted from CIL.

The charge is levied in pounds per square metre, collectable as a cash contribution typically within 60 days of the commencement of development. An instalment policy allowing phased payment may be in place in some areas.

Once the planning application has been granted, a liability notice setting out the amount of the levy that will be due for payment will be sent.

For more detailed information please refer to the Frequently Asked Questions document available on the West Northamptonshire Joint Planning Unit website:

<http://www.westnorthamptonshirejpu.org/connect.ti/website/view?objectId=2737520>