South Lakeland’s Community Infrastructure Levy (CIL)

What will it mean for you?
Who’s Who?

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What today is about

For anyone involved in developing new housing

• A brief introduction to CIL
• What you do when applying for permission
• What you need to do when development starts
• When you pay
• How and when you can appeal
• How and when you can apply for an exemption
• What are the risks
A learning process

• We are the **first in Cumbria** to be doing this
• There is a **lot to take on board**
• This is **new for us as well**
• We want to make this as **straightforward as it can be**
• There will be a degree of **snagging** in the first few months of operation - patience needed;
• E-mail power point – **please share widely.**
What is CIL?

- A levy on **new built floorspace**
- £50 / m² on new residential development
- Fixed not negotiable;
- £150 / m² on supermarkets and retail warehouses
- To help to deliver **infrastructure needs** identified in the **Local Plan**
- **15-25%** to Parish/Town Councils
Why have a CIL?

- Limits on S106 pooled contributions;
- **Predictability** – can be quantified;
- Greater role for Districts - income stream;
- Certainty for developers – land prices;
- Cumulative impacts;
- Small developments contribute;
- Community buy-in – parish contribution;
Where is SLDC at?

- **Adopted Local Plan** (December 2013)
- Needs **infrastructure to support growth**
- **Charging Schedule** consulted on in 2014
- **Examination - Feb 2015**
- Inspectors Report **20th March 2015**
- Council considers **adoption 20th May 2015**
- CIL commences **1st June**
- £50/ m² = **around £5,000** per house
- **£18m** over 10 years
What are other authorities charging?

- SLDC residential rate is at the lower end due to affordable housing obligation;
- Central Lancs £65/m²
- West Lancs £85/m²
- Trafford £20-80/m²
- North West Average about £65
- England average about £100
- Kensington and Chelsea - £800 (with Crossrail)
- Sandbanks (Poole) - £1200 (consultative)
You will not pay CIL on the following:

- Development wholly within National Parks;
- Development within Kendal Canal Head and Ulverston Canal Head Regeneration Areas;
- Permission granted before CIL commences;
- Residential development which does not involve the creation of a new dwelling and is less than 100/m²;
- Residential subdivision not creating new floorspace;
- Development or parts of a development which are neither residential nor liable retail;
You may be eligible for relief from CIL on the following:

- Affordable and Intermediate Housing
- Self Build Housing
- Development for Charitable Purposes
- Self build Residential annexes
- Self Build Residential extensions 100 sq m;
- But exemption may be withdrawn if there is a ‘disqualifying event’.
Conversions and existing Floorspace

- CIL is **payable** on eligible **permitted development** and **changes of use**.
- This includes **barn conversions**
- A deduction is made for existing or demolished **floorspace** which has been **in lawful use** for a **continuous period of at least six months** within the period of **three years** ending on the date of the **planning permission**;
When does it happen?

- CIL will commence on 1st June - subject to Council approval - and apply to applications determined (decision notice issued) on or after that date.
- We will ask that relevant applications submitted from 1st April onwards be accompanied by the necessary forms for CIL.
- For some existing current applications, CIL information will be necessary;
- We’ll now talk you through the process;
When do I pay?

• CIL is not payable all at once - The Council has an Instalment Policy;

• 10% is required within 60 days of the Commencement Notice;

• Payment may then be made in instalments:

• The length of the payment period varies from a single payment within 9 months for a single dwelling to up to 8 payments spread over six years for developments of more than 300 dwellings;

• Payable in full on occupation of development;
CIL L Process

Developer Actions

- Submit Planning Application with CIL Questions Form & CIL Liability Form
- Submit Commencement Notice to LPA
- Commence development
- Pay CIL at specified instalments

LPA Actions

- Validate Planning application
- Acknowledge Assumption of Liability
- Grant planning permission
- Issue Liability Notice
- Acknowledge Commencement Notice
- Demand Notice including any instalments
- Acknowledge payment
What do I do before I apply?

- We strongly advise pre application discussions;
- As part of the advice we give, we will give you an initial estimate of the CI L payment due;
- Consider the division of liabilities – do you wish one party to assume liability or do you wish the liabilities to be split between different interests in the site.
What do I do when I apply – for PP or PA

• The critical information must be submitted on the official forms (on the Planning Portal) http://www.planningportal.gov.uk/planning/applications/howtoapply/whattosubmit/cil

• The CIL Additional Questions form goes with your application form and gives us the net internal floorspace information to calculate CIL requirement.

• It also contains links to the other forms you may need – including those to claim relief;

• The Assumption of Liability Form (Form I) tells us who will be liable to pay CIL;
**Interim requirements**

You will be asked to send additional information for CIL liable development. This includes:

- CIL Additional Questions Form
- CIL Assumption of Liability Form
CIL Forms information required

• Gross internal area (GIA) of proposed new floorspace
• Please look at what should be included within a GIA calculation in our guidance
• CIL is only payable on new additional floorspace - demolition
Then what happens?

• The Council will **acknowledge** the acceptance of liability;

• The Council will **determine applications for relief**;

• If permission is granted, the Council will issue a **CIL Liability Notice** which will tell you what you need to pay;

• Note that the liability will be **adjusted for inflation**
What do I have to do before starting development?

- You **must** submit a Commencement Notice on Form 6 before making a start on site.
- This is in addition to Building Regulations Commencement and clearing conditions;
- **FAILURE TO DO THIS WILL RESULT IN THE INVALIDATION OF ANY EXEMPTIONS AND THE RIGHT TO PAY IN INSTALMENTS;**
- **YOU WILL THEN BE LIABLE FOR THE FULL AMOUNT IMMEDIATELY**
How to claim relief

- Development eligible for relief includes:
  - Affordable and Intermediate Housing
  - Self Build Housing
  - Development for Charitable Purposes
  - Self build Residential annexes
  - Self Build Residential extensions $100/m²;

- Submit CIL relief claims on the official forms.

- Exemptions must be claimed before submitting the Commencement Notice;
What happens once I have started building?

- When it receives the **Commencement notice**, the Council issues a **Demand Notice**;
- This sets out **what payments are needed and when they are due** in line with the instalment policy;
How can I appeal?

- You can ask SLDC for a review of the calculation of the amount within **28 days of liability notice**;
- If no decision within 14 days or dissatisfied with result you can appeal to VOA within **60 days of liability notice**;
- Must do this **before commencement**;
- **Other appeal processes** relate to the apportionment of liability (VOA) and to CIL enforcement processes and **surcharges** for late payment (**PINS**);
- **Complex area** - specialist advice recommended;
What happens with Phased Development?

• Large scale developments may be treated as phased developments;
• This means that each individual phase would be a separate chargeable development;
• If you wish to pursue this route, this must be made clear through the planning permission;
• Self Build dwellings may need to be treated as individual phases because any CIL relief must be claimed by the occupier;
Consequences of not paying CIL

CIL payment is mandatory and non-negotiable. If you do not pay or do not pay on time:

– You will be subject to a penalty without further notification
– Any agreement for you to pay in instalments will be withdrawn

There are strong enforcement powers and penalties for failure to pay, including Stop Notices, surcharges and prison terms.
What happens to the money?

- The Council’s **Infrastructure Delivery Plan** sets out a list (**Regulation 123 List**) of infrastructure projects to be supported by CIL;
- Includes some schools, off site highways works, some off site open space measures, health and **site infrastructure for employment sites**;
- Council cannot ‘**double dip**’ or require S106 contributions for projects on the R123 List;
- Council must **report annually** on CIL income and expenditure. **Parishes** must do the same.
Information on CIL

• A series of 8 detailed guidance notes and other information is available at www.southlakeland.gov.uk/CIL

• Simon Anstey, CIL Officer will be your initial contact for CIL queries from 1 April 2015
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