



COMMUNITY INFRASTRUCTURE LEVY (CIL) **FREQUENTLY ASKED QUESTIONS**

What is CIL?

The Community Infrastructure Levy (CIL) is a new charge that local authorities can ask developments in their area to pay, not only to encourage local development but also to make sure that the infrastructure in the region can afford to keep up with new homes and businesses. CIL is payable on Permitted Development as well as Planning Permission development when the development is started. The relevant legislation is the Community Infrastructure Regulations 2010, as amended.

Why has the Government introduced the option to charge CIL?

CIL will provide additional funding for us to spend on a range of infrastructure projects to support development and benefit the local community.

CIL will give us the flexibility to set our own priorities for which infrastructure projects should be funded and provide predictable future funding.

As CIL rates are published in advance, developers and land owners will have certainty of what developments pay CIL. This should encourage greater confidence and higher levels of investment.

CIL will help show how new development is contributing to the community.

Why do CIL charges vary between different councils?

Some authorities will choose not to charge CIL at all or will charge different rates based on research into the infrastructure needs and economic climate (viability) in the council area. For these reasons rates will vary across the country.

Why do the CIL rates vary for different parts of the districts?

Different rates for different types of development and geographical areas may be charged if there are differences in viability depending on development type and location. The rates are set out in our charging schedules.

How are the CIL rates determined?

The rates and other details in our CIL charging schedules were consulted on, examined by an independent examiner from the Planning Inspectorate and found to be acceptable. Amendments to charging schedules must follow the same procedure.

Will CIL rates change?

Yes, CIL rates are indexed in line with the all-in tender price index of construction costs, a measure of building costs inflation produced by the Building Cost Information Service. This means rates could go up or down. We will also review the charging schedules from time to time to make sure that they remain appropriate as market conditions and viability for certain types of development may change.

How does CIL relate to planning?

CIL will be charged on certain types of new buildings or extensions to buildings that have been allowed by planning permission, permitted development rights or local development orders.

What type of development is and is not liable to pay CIL?

All new build development over 100sqm (internal) and all new dwellings (houses, including holiday lets, excepting older persons accommodation) regardless of size must pay CIL. CIL does not apply to buildings which people do not normally go into or which people only enter intermittently for the purposes of inspection or maintenance, and structures which are not buildings, such as pylons.

Mid Suffolk and Babergh are proposing to charge for new dwellings (houses, including holiday lets, excepting older persons accommodation), residential extensions and annexes, and convenience retail development. Other types of development may be liable to pay CIL but will be charged at £0 per square metre. Please see the charging schedules for details.

What do I have to do?

If you intend to build a CIL liable development as Permitted Development you must submit a notice of chargeable development before you start building.

If you intend to build a CIL liable development that needs planning permission you must include an 'additional CIL info' form and any relief or exemption claim forms completed with details of your development in your application.

The person who intends to pay CIL must also assume liability prior to the start of development by submitting an assumption of liability form.

These documents allow the Infrastructure team to calculate the amount of CIL payable and send you the appropriate notices telling you how and when to pay.

These documents are validation requirements and must be submitted at the appropriate time to avoid penalties.

How will the CIL charge be calculated for an individual development?

The CIL rates in the charging schedules will be multiplied by each square metre of proposed new CIL liable internal floor space in relevant buildings. There may be deductions for the re-use of existing buildings or the demolition of existing buildings.

Can a reduction in CIL liability be negotiated?

No. Once a charging schedule is in effect, there is a legal obligation to pay CIL at those rate(s). However, some types of development are eligible for exemption or relief from CIL including:

- Residential extensions and annexes
- Self-build dwellings
- Development to be used for charitable purposes
- Social housing.

When does CIL have to be paid?

When you start (commence) the development. You can pay in full or, if applicable, in instalments as set out in our instalments policy.

Who is liable to pay CIL?

Anybody can assume liability to pay CIL and liability can be withdrawn or transferred to someone else. If nobody assumes liability before the development starts liability to pay CIL defaults to the owner of the land.

What happens if CIL is not paid?

When you start your development we will send you a demand notice reminding you to pay CIL with details of how much and when to pay. Late payments will incur a surcharge. If payment is not made we may issue a warning notice and we have the power to issue a CIL stop notice which stops any further development until payment is made. In serious cases, we may seek to prosecute for non-payment which could result in a court authorisation to seize assets or impose a short prison sentence.

CIL is entered as a land charge on your property and is only removed when it is paid in full meaning that outstanding CIL will show on a local authority search and may cause problems with the sale of your property.

What will CIL be spent on?

New development has an impact on infrastructure, such as roads, schools, doctors and recreational facilities. CIL will help pay for these and other types of infrastructure needed to support new development. Some of the CIL will be spent on the cost of administration of CIL, some will be passed to parish and town councils to spend on mitigating the impacts of development in their areas and the district councils will spend the remainder on infrastructure.

Will the CIL I pay be spent on infrastructure in my community?

Some of the CIL you pay (15% or 25% depending on if your community has a Neighbourhood Plan) will be passed to the parish / town council where the development is located. Up to 5% of the CIL income will be spent on the cost of administering CIL and the remainder will be spent on infrastructure anywhere within the districts or outside the districts if to do so would support development within the districts.

How can I find out what CIL has been spent on?

The parish / town councils and district councils will produce an annual report which details CIL money received, spent and accumulated together with details of the infrastructure projects that CIL has been spent on. The reports will be published on our web sites.