

FREQUENTLY ASKED QUESTIONS & ANSWERS (FAQs)

Community Infrastructure Levy (CIL)

Consultation on changes to the CIL Charging Schedule (from 12th November to 24th December 2020)

FAQs – Relating to the Proposed new CIL Charging Rates

Question 1. I am paying CIL rates now, will these change if the new rates come in?

Answer: The new proposed rates will only affect planning permissions that will be granted from the date that the new rates are adopted.

Question 2. If the new rates are adopted, when are they going to start?

Answer: The current consultation runs until the 24th December 2020. All the responses to the consultation exercise will be collected, analysed and considered. Following the consultation exercise the proposed rates would be subject to Examination in public by an Inspector, appointed from the Planning Inspectorate (PINs), which is an executive agency of the Ministry of Housing, Communities & Local Government (MHCLG). The Inspectors' findings would then be presented to both Councils for agreement and adoption with an implementation date.

Question 3. What is the timeline for the process from now to the new rates?

Answer: The current 6-week consultation (which started on 12th November) will close at 12:00 on the 24th December 2020.

- The responses are collected, and then analysed and considered.
- The revised CIL Charging Schedule is then submitted to a Planning Inspector (referred to as 'Examiners' in this context) for public examination. The Examiner will apply the broad procedural principles of Development Plan Document Examinations, for further information please see: <https://www.gov.uk/guidance/community-infrastructure-levy-plan-examinations>
- The timescales are unknown at this stage and we will update our web site when these do become known. At this time we would hope the examination takes place in 2021 and the adoption timetable will flow from the Inspector's report.

Question 4. Why is this proposed now when there are already financial difficulties due to COVID-19?

Answer: The cost of providing infrastructure to cope with the growth arising from development has been increasing every year, whilst the CIL charges were initially adopted and implemented in April 2016, with the agreement that these rates would remain fixed for a minimum of three years. As this period has now lapsed, and in order to safeguard future infrastructure against rising costs, the Councils have taken the decision to review their CIL charging rates. Increasing the CIL rates will help to narrow the gap between the infrastructure costs rising and the current CIL rates being collected, to ensure that the infrastructure needs can be more satisfactorily met.

Question 5. Why is the increase to £200? How has this decision been made?

Answer: As part of the emerging Joint Local Plan, viability testing has been carried out to test whole plan viability including whether the allocated sites for development are deliverable given the infrastructure requirements (contained in the Infrastructure Delivery Plan – IDP) and development costs. This viability testing has also considered what new rates of CIL would be both viable and appropriate given all these financial considerations going forward. The new proposed rates of CIL are informed by this viability testing. In view of this and given the rising costs of infrastructure and the yearly increase of cost multipliers by Infrastructure providers for their infrastructure projects (as updated in the IDP) it is essential to revise CIL rates at this time and at this stage in the Joint Local Plan process.

Question 6. There used to be a ‘High’ and a ‘Low’ zone with different CIL rates, why are there no more zones proposed?

Answer: Current areas of high and low zones for charging were reviewed (as they apply currently for existing CIL charges). The Viability Consultant considers there is not enough market differentiation between the two Districts based on a thorough assessment of development typologies (i.e. Greenfield / Brownfield land) together with Developer costs, Industry “norm” profits and sales values within the Districts. The outcome of the viability assessment was that there should be flat rate District wide CIL charges only with no low or high rate zones but that the rate of charges should have differentials where green field and brownfield land are concerned. The suggested rate of charges also reflects whether affordable housing provision would be expected to be provided on these sites according to planning policy requirements.

Question 7. How long will the new rates last?

Answer: It is recommended that any range of revised CIL charges be held for a similar three-year period. However, the Government has recently issued a White Paper called Planning for the Future. This contains a number of suggestions for change around CIL by the introduction of a new Infrastructure Levy. Should new national legislation be brought forward this position on any review of CIL would alter to conform with legislation.

FAQs – Relating to the changes proposed for the Instalments Policy

Question 8. What are the changes to the Instalments Policy?

Answer: With CIL rates proposed to increase, it is proposed that the band widths of each category of payment should alter together with the frequency and timing of payments to be made under the payment plan.

By making these changes, it would simplify the process and allow small housebuilders paying CIL in the first band width the opportunity to spread their two equal payments out over a slightly increased amount of time.

The alterations to the second and third band width retain the opportunity for a payment plan with 4 and 5 equal payments respectively albeit the second band width does require payment over an 18-month period.

Proposed New Instalment Policy:

Amount of calculated CIL liability	Number of Instalments	Payment periods and amounts
Any amount less than £100,000	2	50% of the chargeable amount within 90 days (3 months) of the commencement date, the remaining 50% of the chargeable amount within 270 days (9 months) of the commencement date
Amounts equal to or greater than £100,000 and less than £1,000,000	4	25% of the chargeable amount within 90 days (3 months) of the commencement date with the balance payable in three equal instalments within 270 days (9 months), 360 days (12 months), 540 days (18 months) of the commencement date
Amounts equal to or greater than £1,000,000	5	20% of the chargeable amount within 90 days (3 months) of the commencement date with the balance payable in four equal instalments within 270 days (9 months), 360 days (12 months), 540 days (18 months) and 720 days (24 months) of the commencement date

FAQs – Relating to the changes proposed for the Strategic Sites

Question 9. What are strategic Sites?

Answer: These are a list of development sites in both Babergh and Mid Suffolk that were considered Strategic sites in 2016, because of the size/scale of development which would carry high infrastructure costs. They were included on the Regulation 123 Lists and currently form part of the Councils adopted CIL Charging Schedule for each District. They are zero rated for CIL and do not therefore pay CIL.

Question 10. What changes are proposed to Strategic sites?

Answer: The Viability testing of the Joint Local Plan policies and proposed new CIL Charging Rates has concluded that there was no need to designate/re-designate any strategic sites as part of this CIL charges/schedule revision. On this basis there is an expectation that all sites with the exception of those already being built out or those with the benefit of an outline planning permission and a s106 to address infrastructure needs would pay CIL under this revision to the CIL rate charges/schedule for both Councils. Therefore, there are no Strategic Sites included within the proposed revised CIL charging schedule.