



Community Infrastructure Levy Guide
(Published March 2020)

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1.0 Purpose of Document

- 1.1 This document is an informal guide designed to help developers and landowners understand the Community Infrastructure Levy (CIL) process in Stevenage. Although this guide was up to date at the point of publishing, we advise that applicants always check the most up to date regulations when involved in the CIL process.

2.0 What is the Community Infrastructure Levy?

General

- 2.1 CIL is a planning charge that was introduced by the Planning Act 2008 as a tool for local authorities to help support the development of their area. It came into force through the Community Infrastructure Levy Regulations 2010.
- 2.2 After undergoing an independent examination in line with the CIL Regs 2010 (as amended), Stevenage Borough Council adopted its own [CIL Charging Schedule](#), [Instalments Policy](#) and [Payment in Kind Policy](#) at Full Council on 29 January 2020. Any applications which are granted permission on or after 1 April 2020 may be liable to pay a CIL charge.

The difference between CIL and Section 106

- 2.3 Previously, Stevenage had been using Section 106 (S106) planning obligations to enable planning applications to be made acceptable when they would otherwise be unacceptable in planning terms. S106 obligations are a way of providing site-specific funding for infrastructure to directly mitigate the impacts of a new development. Developers are able to provide money and/or land to enable specific projects, such as a school extensions or affordable homes, to be delivered to mitigate the impact of their development. However, S106 obligations are limited in that they must be:
- 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.
- 2.4 Unlike S106, the intention of CIL is to break the link between the development site where contributions are collected and where they are spent. CIL allows infrastructure spend to be planned more holistically, not just on schemes directly related to a specific development.
- 2.5 Local Authorities can apply a CIL charge to any developer who is constructing additional floorspace. The CIL money that is collected by an authority can be pooled and spent on infrastructure which is necessary to support proposed growth across their area. This could involve schemes related to education, transport, community facilities, parks and leisure or other projects which are needed as a result of overall development taking place.
- 2.6 Whilst S106 funds must be spent on the project they were collected for, CIL funds can be spent on whatever the Council deems most appropriate, and this can change from year to year as Council priorities and/or growth in the borough change. This adds a level of flexibility and clarity to infrastructure spending within the borough.

3.0 CIL Liability

Who is liable to pay CIL?

3.1 In line with the CIL Regs 2010, a development will be liable for a CIL charge if it:

- Involves a new build that creates net additional floorspace (based on gross internal area) of 100m² or more,
- Involves the creation of one or more dwellings, or
- Involves change of use to residential where the existing floorspace has not been in continuous use for at least 6 months in the previous 3 years.

Who is not liable to pay CIL?

3.2 A development will not be liable for a CIL charge if it:

- Is owned or occupied by a charity where the development will be wholly or mainly for charitable purposes,
- Is for a residential extension, residential annexe or self-build new home,
- Is for social/affordable housing,
- Involves a change of use from non-residential to residential where the building has been occupied in its lawful use for six or more continuous months in the last three years,
- Involves only the creation of mezzanine floors within existing buildings or the subdivision of a dwelling into two or more dwellings,
- Is for a use which has a nil charge (£0/m²) as set out in the [SBC CIL Charging Schedule](#), or
- The building in question is only entered occasionally for the inspection or maintenance of fixed plants or machinery.

4.0 How is CIL calculated?

4.1 CIL is charged per square meter of additional floorspace in a new development and is calculated based on the type, size and location of the proposed development. The basic calculation for CIL is relatively straightforward:

$$CIL\ Charge = CIL\ Rate \times Chargeable\ Area \times Current\ Index\ rate / 2020\ Index\ Rate$$

4.2 Details of the CIL charges for different types of land use and locations of development in Stevenage can be found in the adopted [CIL Charging Schedule](#) and are shown in Table 1 and Diagram 1 overleaf.

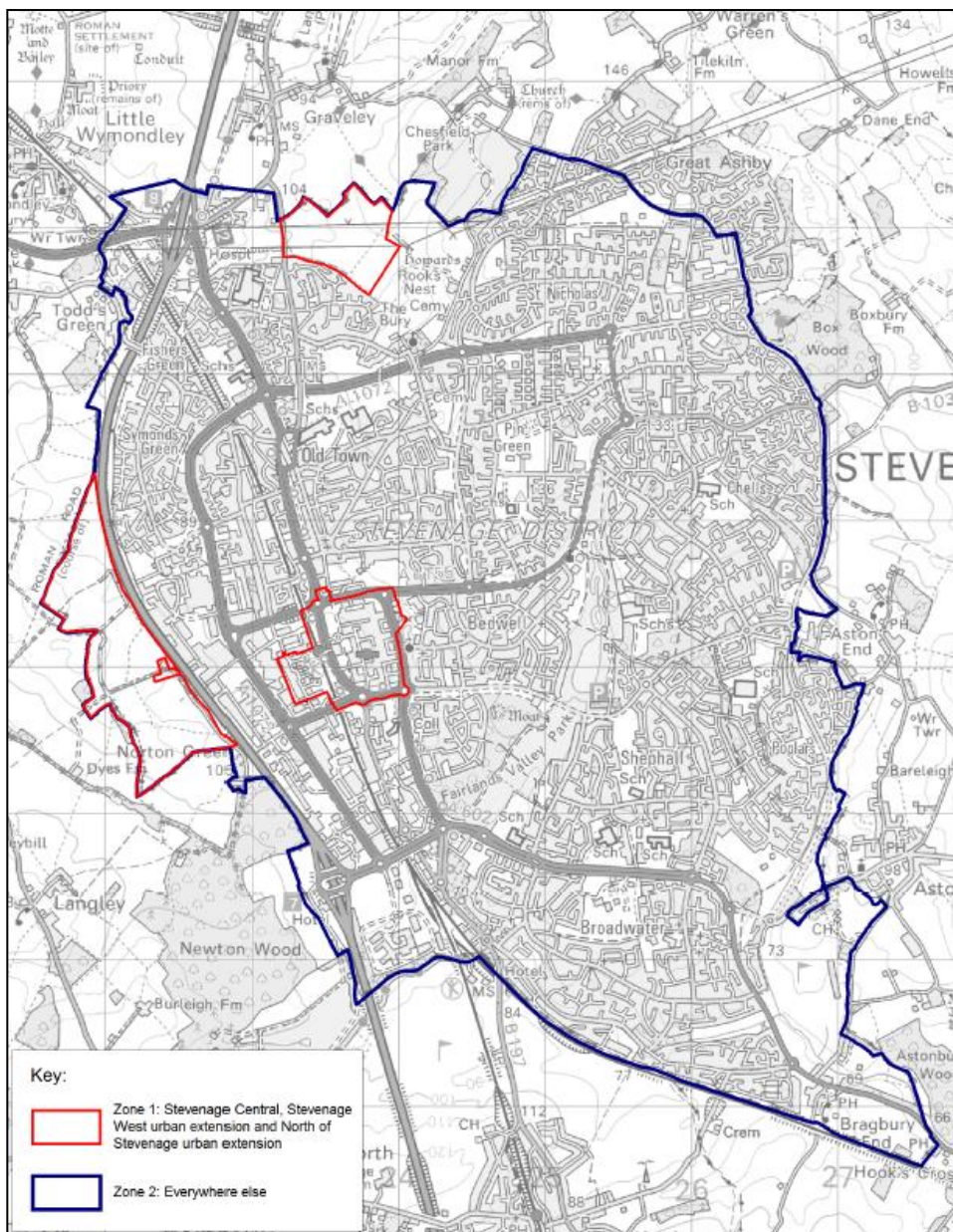
4.3 In cases where the development includes multiple land-use types, Section 73 applications, phases for large scale delivery, and demolition of existing buildings, the more detailed formula for CIL calculations is given and explained in Schedule 1: Calculation of Chargeable Amount of the CIL Regs 2010 (as amended).

4.4 Whilst the CIL charge is non-negotiable, some developments will include floorspace that can offset the charge, and many developments will be eligible for exemptions or relief.

Table 1 SBC CIL Charging Rates

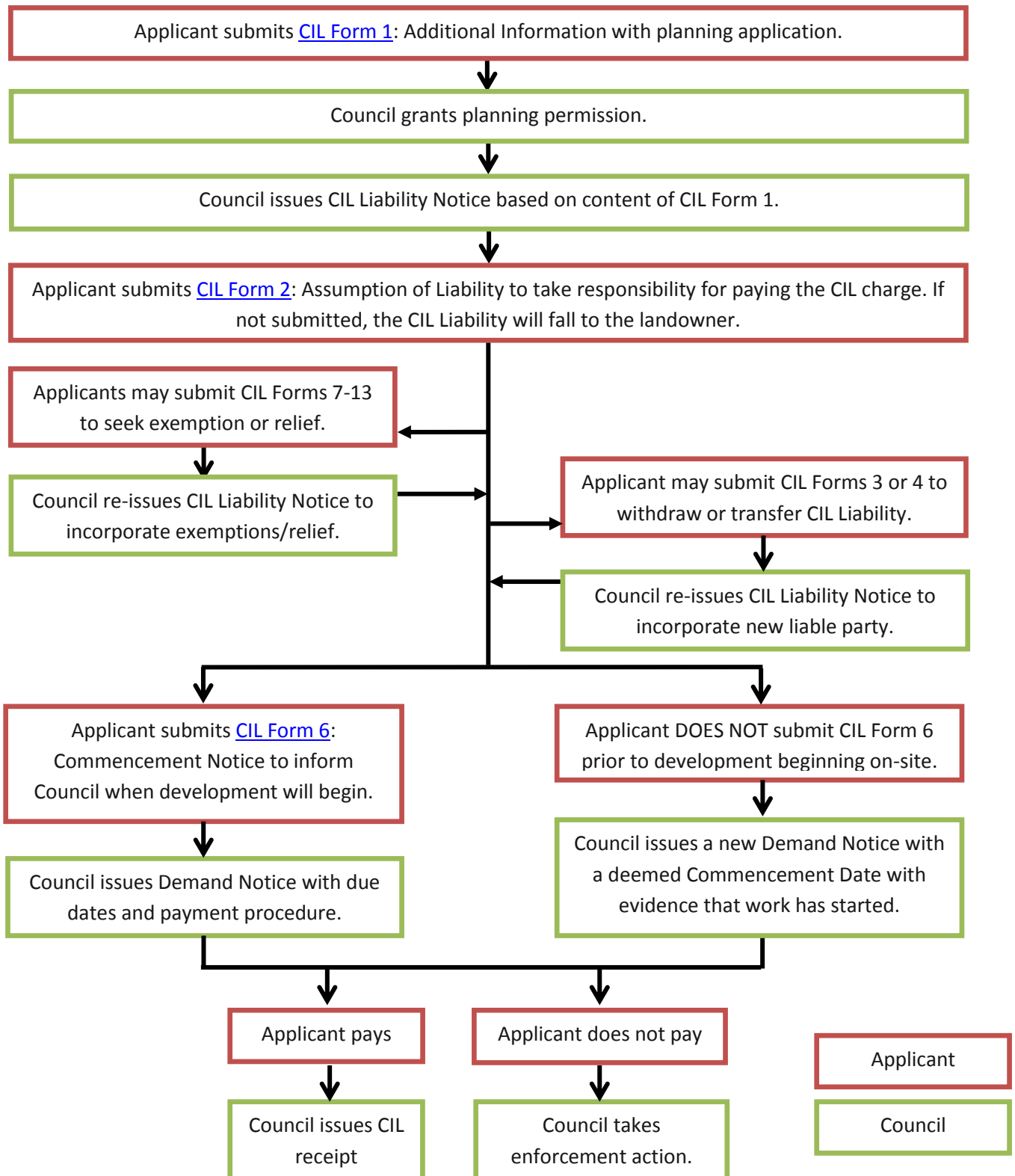
Type	Zone 1: Stevenage Central, Stevenage West urban extension and North of Stevenage Extension	Zone 2: Everywhere else
Residential		
Market Housing	£40 / sqm	£100 / sqm
Sheltered Housing	£100 / sqm	
Extracare Housing	£40 / sqm	
Retail development	£60 / sqm	
All other development	£0 / sqm	

Diagram 2: SBC CIL Charging Zones



5.0 The CIL Process in Stevenage

5.1 The administration of CIL is by a series of forms which are available on the Stevenage website and on the [Planning Portal](#). The forms give the local authority the information required to determine: whether there is a CIL charge; who should pay the charge; what the CIL charge should be; and whether any offsets, exemptions or relief should be applied to the charge. The following flowchart provides an overview of SBC's CIL procedure:



CIL Forms

- [CIL Form 1: Additional Information](#)
- [CIL Form 2: Assumption of Liability](#)
- [CIL Form 3: Withdrawal of Liability](#)
- [CIL Form 4: Transfer of Liability](#)
- [CIL Form 5: Notice of Chargeable Development](#)
- [CIL Form 6: Commencement Notice](#)
- [CIL Form 7 part 1: Self-Build Exemption](#)
- [CIL Form 7 part 2: Self-Build Exemption](#)
- [CIL Form 8: Residential Annex Exemption](#)
- [CIL Form 9: Residential Extension Exemption](#)
- [CIL Form 10: Charitable and/or Social Housing Relief](#)
- [CIL Form 11: Exceptional Circumstances Relief](#)
- [CIL Form 12: Further Charitable Social Housing Relief](#)
- [CIL Form 13: Further Exemption](#)
- [CIL Form 14: Phased Credit Application](#)

Application Stage – CIL Form 1

- 5.2 At the application stage, **all planning applications must be accompanied by [CIL Form 1: Additional Information](#)**. CIL Form 1 provides the basic information required to determine whether a development is CIL liable once it has been granted permission.
- 5.3 The Planning Portal has developed a [guidance note](#) to help applicants complete CIL Form 1.

After Permission is granted

- 5.4 If a development is deemed CIL liable, we will issue a **Liability Notice** following the grant of planning permission using information from CIL Form 1. This will outline the CIL charge due and details of the payment procedure. The CIL liability will be added to the Land Registry.
- 5.5 At this point, we will ask the applicant/agent to arrange for the appropriate party to **assume liability** to pay the CIL Charge.
- 5.6 The CIL Regulations make a number of provisions for charging authorities to give relief or grant exemptions from the levy so at this point, we will also ask whether the applicant believes they are eligible for a CIL **exemption or relief**.

Assumption of CIL Liability – CIL Form 2

- 5.7 Once permission has been granted, CIL liability must be assumed by the applicant or landowner or agent by completing [CIL Form 2: Assumption of Liability](#). The party who assumes liability for the development is liable to pay the charge once works have commenced, unless liability is withdrawn or transferred.
- 5.8 If a party wishes to withdraw their assumption of liability, they can do so by submitting [Form 3: Withdrawal of Assumption of Liability](#) at any time prior to commencement of

works. A liable party can also transfer assumed liability to another party up until the day prior to the final payment deadline outlined on the demand notice. This can be done by submitting [CIL Form 4: Transfer of Assumed Liability](#).

- 5.9 CIL liability will always be added to the Land Registry. Therefore, if CIL Form 2 is not submitted, CIL liability will automatically fall to the landowner and the Liability Notice will be issued to them.

CIL Exemptions

- 5.10 Liable parties can claim an exemption by submitting the relevant forms and the appropriate evidence to support the claim. There are strict requirements regarding the timing of the relief process, and claims must be both submitted and granted by the charging authority prior to commencement of works.
- 5.11 Depending on the circumstances, the following exemptions may be available:
- Self-Build Exemption (relating to whole new dwellings) - CIL Form 7 (parts 1 and 2)*
- 5.12 Liable parties can apply for an exemption if they are building their own home or have commissioned a contractor to build an individual home. Liable parties must initially submit [CIL Form 7: Self Build Exemption - Part 1](#) to claim this exemption. This must be accompanied by [CIL Form 7: Self-Build Exemption - Part 2](#) and the relevant supporting evidence within 6 months of completing the development.
- 5.13 Please note: if the exemption form is not submitted within this timeframe, the exemption may no longer be valid.
- 5.14 Claimants for Self-Build relief must own and occupy the dwelling they have built as their principle residence **for at least three years after development is complete**. They must not let out or sell the self-build dwelling in this period. Otherwise, they will lose the right to qualify for CIL Exemption and will be liable to pay the CIL Charge retrospectively based on the size and location of the dwelling.

Residential Annex Exemption - CIL Form 8

- 5.15 Liable parties can claim an exemption for residential annexes if they build the development within the grounds of their own homes. Liable parties must submit [CIL Form 8: Residential Annex Exemption](#) to claim this exemption. In order to claim relief for residential annexes, the liable party or parties must own and occupy the main dwelling as their primary residence.
- 5.16 Claimants for Residential Annex Relief must occupy the dwelling they have built as their principle residence and must not sell either the original house or the annex individually **until at least three years after development is complete**. They must not let out the annex or sell/let out either the main dwelling or annex separately in this period. Otherwise, they will lose the right to qualify for CIL Exemption and will be liable to pay the CIL Charge based on the size and location of the annex.

Residential Extension Exemption - CIL Form 9

- 5.17 Liable parties can claim relief for residential extensions if they own and occupy the main dwelling as their primary residence. Liable parties must submit [CIL Form 9: Residential Extensions Exemption](#) to claim this exemption.
- 5.18 Extensions under 100sqm will not be liable to pay CIL as they fall under the 100sqm threshold for CIL liability.

CIL Relief

- 5.19 Depending on the circumstances, the following relief may be available:

Charitable Relief - CIL Form 10

- 5.20 In line with Regulations 43 and 44 of the CIL Regs 2010 (as amended) relief can be claimed for developments where the development is owned and will be occupied by a registered charity. Liable parties must submit [CIL Form 10: Charitable and/or Social Housing Relief](#) to claim this relief.
- 5.21 In a mixed-use development or multi-owner development, only the parts of development owned and occupied by a charity would be exempt from the CIL charge.
- 5.22 To claim relief, the liable parties must provide the Council with a map identifying the ownership/occupation of the charitable interest in the site, enabling the Council to measure the floorspace of the charitable institution's units.
- 5.23 Relief will be lost if the owner of the charitable development loses their status as a charitable institution, if ownership is transferred to a non-charitable institution or if the leasehold ends and the land ownership and CIL Liability revert to a non-charitable institution within seven years of the development works commenced.

Social Housing Relief – CIL Form 10

- 5.24 Relief can be claimed for developments that constitute social or affordable rented accommodation provided by the local housing authority. Liable parties must submit [CIL Form 10: Charitable and/or Social Housing Relief](#) to claim this relief. Commonly, this would be part of a larger development so only the social/affordable housing would receive relief.
- 5.25 For example, if a housing development proposed 70% of the units to be market housing and 30% to be social/affordable, CIL relief would be applied to the floorspace of the 30% social/affordable housing and a CIL charge would remain for the 70% market housing.
- 5.26 To claim relief, the liable parties must provide the Council with a map identifying the social housing, enabling the Council to measure the floorspace of the social/affordable units.
- 5.27 Relief will be lost if the social/affordable housing changes from social/affordable housing to market housing and is sold within seven years as a market house.

Exceptional Circumstances Relief - CIL Form 11

- 5.28 In very rare circumstances, relief may be granted for exceptional circumstances. Full details can be found in Regulations 55-57 of the CIL Regs 2010 (as amended). Liable parties must submit [CIL Form 11: Exceptional Circumstances Relief](#) to claim this relief.

Further Relief – CIL Form 12 and 13

- 5.29 Where a development that has previously been granted an exemption/relief has, or is intended to be altered in a way which changes the extent of the exemption/relief previously granted, then a further claim must be made either by submitting [CIL Form 12: Further Charitable and/or Social Housing Relief](#) or [CIL Form 13: Further Exemption Claim](#).

Updating CIL Liable Notices

- 5.30 Once exemptions or relief have been approved by the Council, a **final Liability Notice** will be issued and the charge will be updated on the Land Registry.

Other CIL Forms:

Notice of Chargeable Development – CIL Form 5

- 5.31 [CIL Form 5: Notice of Chargeable Development](#) should be used to notify a charging authority when work which may be CIL liable is to be carried out under General Consent or Permitted Development, rather than under a planning permission.
- 5.32 The most likely use of this form is likely to be where Prior Approval is issued by the Council for Change of Use under Permitted Development Rights where the building does not meet the in-use definition so does not offset the CIL liable floorspace.

Phase Credit Application - CIL Form 14

- 5.33 Where developments are completed in phases, an applicant may submit [CIL Form 14: Phase Credit Application](#) to balance CIL payments across the phases of development.
- 5.34 Where CIL Form 14 is not submitted and a development is granted permission and delivered in phases, each detailed planning permission for the overall development will have its own CIL liability and Demand Notice to be paid in line with the [SBC Instalments Policy](#).

Commencement Notice – CIL Form 6

- 5.35 [CIL Form 6: Commencement Notice](#) **MUST be submitted by the liable party at least 24 hours prior to works being carried out to inform the Council of when work will start.**
- 5.36 This will enable the Council to issue a **Demand Notice** that sets out the total charge owed to the Council, whether the payment can be paid in instalments, the deadlines for payments due, and details of how to pay the CIL Charge.
- 5.37 Failure to submit a Commencement Notice may result in the applicant losing all rights to exemptions, the ability to pay in instalments and may also incur surcharges.

6.0 Payment of CIL

- 6.1 Once a development has commenced, the liable party is responsible for paying the CIL charge on the dates specified in the Demand Notice.
- 6.2 The Council adopted an [Instalments Policy](#) and a [Payment in Kind Policy](#) which will be taken into account during the production of the Demand Notice. The first instalment will always be 10% of the total CIL Charge and will be due 60 days after the start of development on site.
- 6.3 The number of instalments that the rest of the CIL Charge is spread over is determined by the level of the total CIL charge. Roughly, the larger the charge, the more instalments are allowed and the longer the period for overall payment. The longest payment is for CIL Charges of £1,800,001 and above which are spread over 8 instalments over 6 years.
- 6.4 The Council will accept payments over the phone, BACS transfers and cheques, as detailed in the Demand Notice.
- 6.5 After a CIL payment has been received, the Council will issue a CIL Receipt to acknowledge receipt of the payment.

7.0 Non-Payment of CIL

- 7.1 In circumstances where a Demand Notice has been issued and the liable party has not paid in line with the due deadlines, the Council may impose interest on the CIL Charge at a rate of 2.5% above the Bank of England base rate.
- 7.2 If the liable party still fails to pay the CIL chargeable amount, the Council may also impose a late payment surcharge in line with Regulation 85 of the CIL Regs 2010 (as amended).
 - If the Council does not receive payment of the full CIL chargeable amount within **30 days** of the payment deadline, the liable person(s) will face a surcharge equal to 5% of the outstanding CIL charge or £200 (whichever is greater).
 - If the Council does not receive payment of the full CIL chargeable amount within **6 months** of the payment deadline, the liable person(s) will face a further surcharge equal to 5% of the outstanding CIL charge or £200 (whichever is greater).
 - If the Council does not receive payment of the full CIL chargeable amount within **12 months** of the payment deadline, the liable person(s) will face a further surcharge equal to 5% of the outstanding CIL charge or £200 (whichever is greater).
- 7.3 In instances of continued non-payment, the Council will issue a notice to the liable party warning that continued non-payment will result in the issuing of a CIL Stop Notice. A CIL Stop Notice forces development to stop until the CIL charge has been paid by the liable party. This would be a last resort and only implemented where late payment interest and surcharges are considered to be ineffective for repeated non-payment.

- 7.4 This could escalate to the Council seeking a Court's consent to seize assets from the liable party to ensure that the CIL Charge is paid. The Council will notify the liable party of their intentions before Court action is undertaken.
- 7.5 If this action is undertaken and the liable party still fails to pay the CIL chargeable amount, they may face imprisonment of up to three months.

8.0 Appeals

- 8.1 Liable parties can appeal different stages of the CIL process if they are aggrieved at a decision made by the Council.
- 8.2 If a liable party wants to appeal a decision regarding CIL then a request for a review should be submitted in writing to the Council within the appropriate timeframe as outlined in Regulations 113 to 119 of the CIL Regs 2010 (as amended). The Council will review the appeal and notify the applicant of the decision within 14 days of the receiving the appeal.
- 8.3 If a liable party is unhappy with the decision made by the Council regarding the review of the chargeable amount OR they are not notified of the appeal decision within 14 days, they can request a further appeal to the Valuation Office Agency (VOA) or the Planning Inspectorate (PINS) depending on the nature of the appeal, as outlined in Regulations 113 to 119 in the CIL Regs 2010 (as amended).
- 8.4 An overview of different types of Appeal is given below but it is strongly advised that, where relevant, the aggrieved party read the CIL Regs 2010 (as amended) for full details.

Review of Chargeable Amount – Regulation 113

- Request a re-calculation by contacting the Council
- Request must be made within 28 days of the issued Liability Notice
- The Council will notify the appellant of the outcome of the recalculation within 14 days.
- A second review of the chargeable amount is not allowed
- Development MUST NOT have commenced.

Appeal of Chargeable Amount – Regulation 114

- If appellants are unhappy with the recalculated Chargeable Amount or have not been notified of the outcome of the Council's recalculation, they can appeal to the Valuation Office Agency (VOA)
- Appeals must be made within 60 days of the issued Liability Notice
- Development MUST NOT have commenced.

Appeal of Apportionment of Liability – Regulation 115

- If landowners or developers are unhappy with the apportionment of liability, they can appeal to the Valuation Office Agency (VOA)
- Appeals must be made within 28 days of the issued Demand Notice.

- Development MUST NOT have commenced.

Appeal of Charitable Relief – Regulation 116

- If a relief claimant is unhappy with the decision made by the Council on their claim for relief, they can appeal to the Valuation Office Agency (VOA)
- Appeals must be made within 28 days of the decision made by the Council on the claim for relief.
- Development MUST NOT have commenced.

Appeal of Residential Annex Exemptions – Regulation 116A

- If a relief claimant is unhappy with the decision made by the Council on their claim for relief, they can appeal to the Valuation Office Agency (VOA) only on the grounds that the Council has incorrectly determined that the annexe is not wholly within the land of the main dwelling.
- Appeals must be made within 28 days of the decision made by the Council on the claim for relief.
- Development MUST NOT have commenced.

Appeal of Self-Build Housing Exemption – Regulation 116B

- If a relief claimant is unhappy with the decision made by the Council on their claim for relief, they can appeal to the Valuation Office Agency (VOA) on the grounds that the Council has incorrectly determined the value of Self-Build relief.
- Appeals must be made within 28 days of the decision made by the Council on the claim for relief.
- Development MUST NOT have commenced.

Appeal of Surcharge – Regulation 117

- A landowner or developer who is unhappy with the decision made by the Council to impose a surcharge can appeal to the Planning Inspectorate (PINS) on the grounds that:
 - 1) The breach of legislation that led to the surcharge did not occur
 - 2) The Council did not issue a liability notice for the development in question
 - 3) The surcharge has been incorrectly calculated
- Appeals must be made within 28 days starting on the date when the surcharge is imposed.

Appeal of Deemed Commencement – Regulation 118

- A liable party who has received a demand notice from the Council can appeal to the Planning Inspectorate (PINS) on the grounds that the deemed commencement date has been incorrectly determined.
- Appeals must be made within 28 days starting on the date when the demand notice is issued.

Appeal of CIL Stop Notices – Regulation 119

- A landowner or developer who is unhappy with the Council’s decision to impose a CIL stop notice can appeal to the Planning Inspectorate (PINS) on the grounds that:
 - 1) The Council did not issue a warning notice before imposing the CIL stop notice
 - 2) Work on the development has not commenced and a CIL stop notice has been issued
- An appeal must be made within 60 days of the date when the CIL stop notice came into effect.

Appeal Procedure and Costs - Regulation 120 & 121

8.5 Details on the procedure and cost implications of CIL appeals are outlined in Regulations 120 and 121 of the CIL Regs 2010 (as amended).

9.0 Expenditure of CIL Funds

9.1 It is not expected that the Council will have received sufficient funds in the first year to spend significant amounts on infrastructure.

9.2 During the time once CIL is being implemented and the Council starts to build up a CIL fund, we will develop governance arrangements for spending CIL money and establish a priority spending list for infrastructure projects. This will involve updating the evidence base of necessary infrastructure (such as the Infrastructure Delivery Plan) and determining project-selection processes and criteria.

9.3 When finalised, the priority spend list and governance arrangements will guide the future expenditure of CIL with the overarching aim of helping to support proposed growth in Stevenage.

10.0 Other Relevant Links

Stevenage Borough Council CIL webpage (www.stevenage.gov.uk/cil)

Stevenage Borough Council CIL Evidence webpage
(<http://www.stevenage.gov.uk/149690/planning-policy/207277/>)

Community Infrastructure Levy Regulations 2010 and amendments
(<https://www.legislation.gov.uk/all?title=community%20infrastructure%20levy>)

Government Guidance on CIL (<https://www.gov.uk/guidance/community-infrastructure-levy>)

Planning Portal Guidance on CIL
(https://www.planningportal.co.uk/info/200136/policy_and_legislation/70/community_infrastructure_levy)

Valuation Office Agency (<https://www.gov.uk/government/organisations/valuation-office-agency>)

Planning Inspectorate (PINS) (<https://www.gov.uk/government/organisations/planning-inspectorate>)