

## **Community Infrastructure Levy Briefing Paper**

### **1. What is the Community Infrastructure Levy (CIL)?**

The CIL is a new charge that local authorities in England and Wales can choose to impose on development in their area. The money generated through the Levy will contribute to the funding of infrastructure to support growth.

CIL will contribute towards bridging the 'funding gap' between the total cost of infrastructure necessary to deliver new development and the amount of funding available from other sources.

### **2. Why has Wiltshire decided to implement the Levy?**

Wiltshire Council wants to move forward to use this system locally because of upcoming changes, brought through the new national planning legislation, to the current way developer contributions are collected. From April 2014 Section 106 obligations will be strictly restricted to site specific infrastructure. The current system allows numerous S106 obligations to be pooled to pay for a particular infrastructure project. From April 2014 Section 106 will only be able to pool the monies from a maximum of 5 Section 106 obligations towards an infrastructure project. This is because CIL is expected to take over this commuted sums element of Section 106 and provide funding for offsite infrastructure requirements across Wiltshire while Section 106 will be focused on delivering site specific infrastructure.

The government believe that the tariff based approach of CIL provides the best framework to fund new infrastructure as CIL is considered to be fairer, faster, and more transparent than the current developer charging system of S106 agreements. The charging of CIL will benefit developers by providing certainty over the costs for development, and give the Council and communities more choice and flexibility into how infrastructure is funded.

### **3. What development will be liable to pay CIL?**

CIL is to be charged per square metre on the net additional increase in floor-space of any new development of 100m<sup>2</sup> or more, or any additional dwelling. The amount of CIL a development site is liable to pay is based on its size, type and location. CIL is chargeable on most buildings that people normally go into. So this excludes things like wind turbines and water pumping stations

The rate(s) of CIL are to be set locally by the Charging Authority (Wiltshire Council) and will be published in what is known as a 'Charging Schedule'. The Levy is usually payable by the developer on commencement of development, although the Council has the option of introducing a time based instalments policy.

Relief and exemption from CIL is made to charity landowners on the part of their development that will be used for charitable purposes. In addition the council can also choose to offer 'exceptional circumstances' relief as part of CIL (exceptional circumstances require case by case detailed examination and are related to whether CIL liability has had an unacceptable impact on a development's viability).

#### 4. What will CIL be spent on?

Developer contributions are currently collected through negotiable 'Section 106' planning obligations. Planning regulations state that there should be no double charging for infrastructure through CIL and Section 106. Therefore, after a CIL charging schedule is adopted planning obligations will be used only to deliver site-specific mitigation requirements and affordable housing whereas CIL money will be pooled from multiple developments to fund infrastructure priorities across Wiltshire.

Informed by the Infrastructure Delivery Plan (IDP), a 'Regulation 123' list will identify which infrastructure projects will be eligible to receive money from the CIL. Amendments to the CIL Regulations in 2012 state that the Council must allocate a share of the Levy raised in a neighbourhood to deliver infrastructure that neighbourhoods want, although this 'meaningful proportion' is yet to be set by the government. In addition a proportion will also be allocated for admin costs associated with processing the CIL, this proportion is also still to be decided.

#### 5. What are the proposed rates for Wiltshire?

A Charging Schedule will set out the rate(s) of CIL to be charged across a local authority area. The rate(s) should be informed by an up to date development plan, infrastructure planning evidence base and viability assessment. CIL must strike an appropriate balance between contributing to funding infrastructure and not putting overall development across the local authority area at risk.

Consultants BNP Paribas were appointed by the Council to prepare the economic viability report to support the development of a CIL charging schedule for Wiltshire.

Cabinet will be considering the proposed rate of CIL for Wiltshire on the 10<sup>th</sup> September 2012. The proposed CIL rates for Wiltshire will be made available in the Cabinet paper.

#### 6. What is the timetable for adopting CIL in Wiltshire?

Subject to the approval of the proposed CIL rates at the Councils Cabinet on 10<sup>th</sup> September 2012 the Council will produce a Preliminary Draft Charging Schedule for Wiltshire. A consultation will then take place and is scheduled for a period of 6 weeks between 1<sup>st</sup> October and 12<sup>th</sup> November 2012. The charging schedule will then be revised in light of comments received and undergo a further stage of public consultation, followed by a public examination in 2013. The Council will then look to adopt the charging schedule next summer.

The proposed process towards adoption is set out below:

