Community Infrastructure Levy:
Technical Information for applicants CIL

This document contains information on the following aspects of CIL:

- Trigger points of when development will be liable for CIL payments
- Exemptions, relief and appeals for CIL charges
- Collection of CIL payments
- Clarification on the definition of Gross Internal Floor Areas in relation to CIL

CIL Triggers and requirements

Community Infrastructure Levy (CIL) in Southwark

In Southwark, the Council collects Mayoral CIL (MCIL) for strategic transport in London on behalf of the Mayor of London.

Southwark also has its own Southwark CIL (SCIL) for Southwark infrastructure. The rates are based on the location and type of proposed development. More details can be found on the Council’s website.

Triggers for CIL consideration:

- Creation of a new residential unit OR
- more than 100sqm of NEW non residential floor space.

Exceptions from MCIL & SCIL:

- Health or Education floor space.
- Change from Single family dwellings to flats with no additional floor space.
- Temporary permissions.

Exceptions from SCIL only

- Industrial and warehousing.
- Office in Zones 2 and 3 only.
- Student housing with nomination agreements only.
- Town centre car parking made available to all town centre visitors.

Possible Relief:

- Social housing.
Charities (with an interest in the land).
Self build.

Other points:

- Change of use of non-residential with under 100sqm of new floor space is not CIL liable.
- Developments that do not require planning permission, such as Permitted Development, Nationally Significant Infrastructure Projects or those consented through Local / Neighbourhood Development Order or an Act of Parliament may be liable for CIL if the development commenced after the 6th April 2013.
- S73 applications only trigger CIL on any additional floor space over a pre-CIL parent application.
- Some works under permitted development may be CIL Liable


Reductions in chargeable floor space:

If ANY floor space in the BUILDING has been actively used (not vacant) lawfully for 6 months of the last 3 years at the point of receiving a CIL Liability Notice (not draft) all existing floor space can be offset.

Notices and Developer submissions

For developments that do not require planning permission but trigger CIL
Developers must submit a Notice of Chargeable Development to the Council.

During an application, a Developer should submit the CIL floor space form to the Council.

A CIL Liability Notice will be issued to the applicant by the Council when planning permission is first granted for the development, including reserved matters on an outline application. If it is an outline or phased application a Draft Liability Notice will be issued for information when planning permission is granted.

Once a CIL Liability Notice has been issued, an appeal against the amount or application of it can be made by a Developer. See the planning portal website for more information.

If you wish to apply for Social Housing, Charitable Relief or Self build you must do so between getting the Liability Notice and Commencement.

Before implementing the planning permission (commencing), someone (anyone) must assume liability to pay CIL by sending an Assumption of Liability Notice to the Council. If it is not received before commencing work the freeholder is liable and may incur surcharges. Also a Commencement Notice needs to be sent to the Council saying when they will be starting.
The Council will acknowledge these and issue a Demand Notice saying the amounts, methods and timings of the payment due. Generally <£500,000 due in 60 days, >£500,000 in a further 180 days.

Southwark Council is working to introduced Southwark CIL by the end of 2014, which will replace all but site specific and affordable housing S106.

Click here for more information about CIL Enforcement process

Forms and contact details

All forms required can be found here: http://www.planningportal.gov.uk/planning/applications/howtoapply/whattosubmit/cil# Download the forms

and can be sent to Southwark Council at "planning.cil@southwark.gov.uk" along with the relevant plans.

Above are simplified highlights of the Regulations and the Council advise those interested to read the Regulations fully or seek professional advice.

Appeals and relief

Failure to comply - Surcharges and appeals

Collecting authorities are able to impose a range of financial penalties (surcharges) on person(s) when the liability, collection and/or payment processes outlined above have not been followed correctly. Authorities can charge:

- A £50 surcharge on each person liable to pay the levy in the event that liability is not assumed before development commences
- An additional £500 to each person with a material interest in land where the authority has to apportion liability
- The lower of 20 per cent of the chargeable amount or £2,500 where development starts without the authority having received a notice of chargeable development or a Commencement Notice
- The greater of 5 per cent of any payment due, or £200 where that payment is not received after the end of 30 days beginning with the day that payment is due. An authority may then impose a further 5 per cent charge if payment is still not received after six months, and a further 5 per cent after 12 months
- The lower of 20 per cent of the chargeable amount, or £1000 where a person(s) fails to provide further relevant information as requested by a collecting authority

In addition to the surcharge for late payment, a collecting authority must charge interest on any late payments.
An appeal about the calculation of the chargeable amount must be made within 28 days of Liability Notice being issued and must be made by a person senior to who conducted the original calculation. If the correct procedures in reg 113 were not followed in recalculating the amount, a further appeal can be made (reg 114) to the DVO / valuation officer (reg 112) as long as it is within 60 days of the Liability Notice being issued.

An appeal about the apportionment of liability, charitable relief or surcharges can be made to the DVO or decision, or surcharges being made.

**Charities Relief**

Development by a charitable institution for the purpose (wholly or mainly) of that charity, is applied to that proportion of the development that it owns. Must be occupied or under the control of the charity (can be unoccupied). Can not equate to State Aid. Requires pre-commencement submission on Secretary of State (SoS) form to Council. Council accept information, or issue own asap and state decision.

**Social housing relief procedure (SHR)**

To qualify must a claim: assume liability to pay CIL in respect of the chargeable development for which relief is claimed; and be an owner of the relevant land. The claim must be submitted on SoS form, with a relief assessment (identifies the qualifying dwellings with GIA and includes a calculation of the qualifying amount) with evidence to show it qualifies under Reg 49 to the Council before commencement

No SHR relief if commencement before the Council notifies claimant of it's decision on the claim, or fails to submit a Commencement Notice.

After receiving the claim the Council must notify the claimant in writing of-

its decision on the claim and the reasons for the decision; and (b) if relief is granted, the qualifying amount.

**Disposal of land before occupation where SHR was been grant prior to Occupation**

Beneficiary of SHR must notify the Council in writing of the disposal as soon as practicable after it occurs, stating GIA of qualifying dwelling on disposed land, location map, name address of beneficiary and new owner.

The above is the Council's indicative interpretation of current CIL Regulations. Applicants are advised to make their own interpretation of the Regulations and seek professional advice where necessary.
Collection

Requirements for applicants about collection:

- As soon as possible and before development commencement at the latest
- Liable person(s) must serve an Assumption of Liability Notice on the Collecting Authority to confirm liability
- Liable person(s) must serve a Liability Transfer Notice on the Collecting Authority to inform of any changes in liability
- If the Collecting Authority has to apportion liability it may seek information from the landowners through an Information Notice and can apply a surcharge
- Liable person(s) must serve a Claim Exemption or Relief Form on the Collecting Authority to claim any social housing, charitable or exceptional circumstances relief they consider relevant. Exemption cannot be claimed after commencement of development
- Liable person(s) must serve a Notice of Chargeable Development on the Collecting Authority before the development commences (for general consent developments)

When development commencement date is known

Liable person(s) must serve a Commencement Notice on the Collecting Authority when it is known when the development is to commence.

When development commences

Collecting Authority must serve a Demand Notice on liable person(s).

Liable person(s) must pay CIL in accordance with the Demand Notice within 60 days, or in accordance with any published Instalment Policy. These payment windows are only available if the liable person(s) have formally assumed liability and served the Commencement Notice. If not, then payment is due on Commencement.

If a development takes place in phases and there are reserved matters or conditions to be approved before each phase commences, then the trigger date is the date when the last reserved matter or the conditions are approved.

Gross Internal Area definitions (GIA)

GIA is the area of a building measured to the internal face of the perimeter walls at each floor level. Including:

- Areas occupied by internal walls and partitions
- Columns, piers, chimney breasts, stairwells, lift-wells, other internal projections, vertical ducts, and the like
- Atria and entrance halls, with clear height above, measured at base level only
- Internal open-sided balconies, walkways, and the like
• Structural, raked or stepped floors are property to be treated as a level floor measured horizontally
• Horizontal floors, with permanent access, below structural, raked or stepped floors
• Corridors of a permanent essential nature (e.g. fire corridors, smoke lobbies)
• Mezzanine floor areas with permanent access
• Lift rooms, plant rooms, fuel stores, tank rooms which are housed in a covered structure of a permanent nature, whether or not above the main roof level
• Service accommodation such as toilets, toilet lobbies, bathrooms, showers, changing rooms, cleaners' rooms, and the like
• Projection rooms
• Voids over stairwells and lift shafts on upper floors
• Loading bays
• Areas with a headroom of less than 1.5m
• Pavement vaults
• Garages
• Conservatories

Excluding:

• Perimeter wall thicknesses and external projections
• External open-sided balconies, covered ways and fire escapes
• Canopies
• Voids over or under structural, raked or stepped floors
• Greenhouses, garden stores, fuel stores, and the like in residential