

Frequently asked questions – Community Infrastructure Levy

Building new homes and business premises attracts more people to an area, to live and work, with an impact on local services and facilities. Developers are expected to help pay towards improving or increasing facilities to meet the higher demand that their development brings. In the past Planning Obligations (S106 legal agreements) have been used. The Community Infrastructure Levy (CIL) is a new way of making sure developments contribute to local facilities.

About the Community Infrastructure Levy:

What is the Community Infrastructure Levy (CIL)?

The CIL is a new way of collecting contributions from new developments towards infrastructure needed to support growth within the Borough, expected to be in place in Dacorum from 1 July 2015. It is a charge that will be applied per square metre of new development and varies according to the development's scale, use and location.

What do you mean by infrastructure?

The definition of 'infrastructure' is quite broad and covers a range of facilities needed to support growth including education, transport, new open spaces, sports and leisure, health, and social and community buildings.

What are the charges?

The charges are set out in our charging schedule, which explain the charge per square metre, by development type, size and location. See the adopted charging schedule here:

[Dacorum Borough Council's CIL Charging Schedule – Adopted February 2015](#)

How has the charge been set?

The charge has been set at an amount that will support the level of development planned for Dacorum in our Core Strategy, without undermining the delivery of new development. This has been subject to an independent assessment by the Planning Inspectorate who determined whether the charges are appropriate.

What development will be subject to CIL?

Under our Charging Schedule CIL is chargeable on:

- New homes (excluding mobile homes, self-build homes and residential annexes and extensions)
- New retirement homes (excluding care homes)
- Supermarkets, superstores and retail warehouses

You do not have to pay CIL on works to extend your home (conservatories etc) although you may need to submit a claim for an exemption to payment where works exceed 100 square metres in size using the following forms:

[Form 7 - Self build exemption part 1](#)

[Form 7 - Self build exemption part 2 \(to be submitted within 6 months of completing the self-build dwelling\)](#)

[Form 8 - Residential Annex Exemption](#)

[Form 9 - Residential Extension Exemption](#)

Why are there different rates for residential development?

The different rates reflect the relative viability of undertaking new residential development within the Borough and reflect variations in the sale values for residential units within the key settlements.

Will developments still be subject to the completion of a planning obligation under Section 106?

The use of planning obligations under S.106 will be reduced following the introduction of CIL, but will still be necessary to secure affordable housing and on site infrastructure for example direct access works and open space/play space.

We have a list of infrastructure works which will be funded by CIL known as a 'Regulation 123 list' (see the CIL web page). We will not be able to enter into planning obligations to provide items of infrastructure identified upon our Regulation 123 list nor pool more than five Section 106 contributions towards infrastructure projects excluded from this list once CIL has been implemented.

Paying CIL

Who is liable for the payment of CIL?

The responsibility to pay CIL rests with the owner of the land on which the development will be situated. However, others involved in the development can take on the liability for CIL for the development by submitting an [Assumption of Liability Notice](#)

How is the CIL calculated?

The Charging Schedule states how much CIL will be charged (in pounds per square metre of additional floorspace) based on the type of development and its location within the Borough.

When you are preparing your planning application, we will need information about the existing internal floorspace and uses within the development site, and that of the proposed development. The floorspace of existing development (providing it is lawful) can be subtracted from the proposed floorspace so that only the additional space is liable for CIL.

The final calculation of CIL liability is based on a formula set out in the CIL Regulations 2010 (as amended). These can be found by following the link below:

[CIL Regulations 2010 \(as amended\)](#)

When planning permission is granted, the Council will issue a CIL Liability notice setting out the amount due under the levy, the payment procedure and the possible consequences of not following procedures for the payment of CIL.

Is VAT applied to CIL charges?

No, the CIL charge is exempt from VAT.

How will the proposed levy rates respond to factors such as inflation?

We will calculate individual charges for the levy using the BCIS All-In Tender Price Index which as a ratio may increase or decrease the CIL levy to reflect and respond to market conditions.

How can the CIL be paid?

As the Charging Authority for Dacorum, we will normally collect the charge as a financial contribution but there may be circumstances where it will be desirable for us to receive land instead of money to address an infrastructure need. We have a Draft Payment in Kind (Land) Policy (see Examination Library) which sets out the circumstances under which such payments may be appropriate. Such payments should be discussed directly with your planning officer at an early stage in the planning process.

Can CIL be paid in Instalments?

The levy charge is due when development starts and for most new development payment should be made within 60 days. For larger CIL liabilities (above £20,000) our Instalments policy allows for the phased payment depending on the total value of the contribution. It is also possible under the CIL Regulations 2010 (as amended) to pay CIL separately for each phase of larger development schemes.

Is there any relief from CIL?

In accordance with the CIL Regulations the following types of developments may receive some or full relief from CIL:

- Charitable development
- Social housing development
- Self-build development
- Self-build residential annex
- Household extensions

We also plan to operate a [Discretionary Charitable Relief policy](#) and [Exceptional Circumstances Relief policy](#) which may be applicable.

You cannot submit an application for relief from CIL until you have assumed liability. If we accept your application for relief we will issue a revised Liability Notice to reflect the revised charge.

In order to benefit from relief you will need to submit a CIL Relief Form. These can be found on the [planning portal](#).

What is the process for paying CIL?

- 1) When we issue an approved planning application we will issue a CIL Liability Notice. We will presume that the landowner/applicant will assume equal liability unless you state otherwise. If you believe the notice to be incorrect or wish to claim a relief from the CIL, there are forms and processes for requesting an amendment.
- 2) The applicant or other person(s) must assume liability and send us an [Assumption of Liability form](#).
- 3) This can be amended at any time prior to the commencement of development by submitting a [Transfer of Liability form](#)

Liability may also be withdrawn using the [withdrawal of liability form](#)

Any claims for CIL relief can then be made using a CIL relief form.

- 4) We will consider any claim for relief and issue, where appropriate, revised Liability Notices.
- 5) You will then be required to notify us of your development's expected start date, at least two working days before starting work, by filling in the [Commencement Notice form](#)
- 6) We will then issue a Demand Notice from your start date, setting out full details of your payment(s). If you fail to provide a Commencement Notice or notification prior to commencement you **will not** be able to pay in instalments and may be subject to surcharges.

Can I negotiate or appeal a CIL charge?

CIL is not negotiable and is payable at the rate set out within the Charging Schedule. You may only appeal against the miscalculation of the charge.

Managing CIL contributions

How will the levy be spent?

We must spend the levy's revenue on the infrastructure needed to support the development of the area. We will spend our CIL receipts on new infrastructure identified in our Regulation 123 list and our Infrastructure Delivery Plan. The priorities for spending CIL will be determined on the basis of bids for CIL funding. We plan to

establish an Infrastructure Advisory Group who will be responsible for setting out which projects to support in an annual Infrastructure Business Plan. This plan will be approved and funding will be allocated at a public meeting of the Council.

How will local communities benefit from CIL?

The CIL Regulations require us to pass a 'meaningful proportion' of CIL receipts from development directly to the town or parish council where the development takes place towards priority infrastructure for their area. In areas where there is no neighbourhood plan in place this will be 15% of the CIL receipts from development within their administrative area, up to a maximum of £100 per council tax dwelling per annum. This will rise to 25% with no maximum limit following the adoption of a neighbourhood Plan.

In Hemel Hempstead, where there is no Town or Parish Council, we will allocate CIL funds for local ward councilor's to allocate to priority infrastructure for their area, through a Locality Budget.

Can CIL be spent outside Dacorum?

We may pass money to bodies outside the area to deliver infrastructure which will benefit the development of Dacorum. For example we may pass on CIL receipts to Hertfordshire County Council to provide new education facilities within the administrative area of the adjoining authority where the need crosses administrative boundaries.

How will CIL be monitored?

We are required to produce an annual report each financial year which sets out details of the total CIL receipts for the reporting year, the projects CIL has been applied to and the amount of expenditure on each item. This information will be published within our [Annual Monitoring Report](#).

We will also monitor local new developments including the size and number of dwellings, the size and number of affordable housing units, house prices and commercial values in order to understand the impact of its CIL charge.

Will the Charging Schedule be reviewed and updated?

We will keep our charging schedules under review to ensure that the CIL remains appropriate over time and reflects both the viability of development and the need to fund infrastructure. We will review our Charging Schedule each year with a view to identifying whether the objectives of the Core Strategy continue to be met with our CIL charge and any significant changes in economic circumstances which may either improve or reduce scheme viability.

The Charging Schedule cannot be amended without appropriate consultation and a re-examination by the Planning Inspectorate. We do not expect to formally update the charging schedule until 2018, after we have carried out an Early Partial Review of our

Core Strategy and are aware of any changes to our housing and infrastructure requirements.

More information

Further information on CIL, including the Governments Guide to the levy can be found at:

<https://www.gov.uk/government/policies/giving-communities-more-power-in-planning-local-development/supporting-pages/community-infrastructure-levy>

Where can I get forms for CIL and other planning information?

The Planning Portal website also has some useful information on CIL and downloads. The following forms are available from the Planning Portal

- [Form 1: Assumption of Liability](#)
- [Form 2: Claiming Exemption or Relief](#)
- [Form 3: Withdrawal of Assumption of Liability](#)
- [Form SB1-1: Self Build Exemption Claim Form: Part 1](#)
- [Form SB1-2: Self Build Exemption Claim Form: Part 2](#)
- [Form SB2: Self Build Annex or Extension Claim Form](#)
- [Form 4: Transfer of Assumed Liability](#)
- [Form 5: Notice of Chargeable Development](#)
- [Form 6: Commencement Notice](#)

These forms can be downloaded from:

<http://www.planningportal.gov.uk/planning/applications/howtoapply/whattosubmit/cil>

For further information on CIL please contact the Strategic Planning and Regeneration team on 01442 228663 or via our email cil@dacorum.gov.uk.