

DBULLETIN

Community Infrastructure Levy: Draft charging schedules

The Mayor of London is the first planning authority to issue a draft charging schedule under the powers contained in the Community Infrastructure Levy Regulations 2010 (CIL Regulations). The aim of the Mayor's Community Infrastructure Levy (CIL) is to raise £300 million towards the cost of the Crossrail project. The consultation closed on 1 March 2011.

The Mayor's move has been swiftly followed by the London Boroughs of Wandsworth and Redbridge, and outside London Shropshire, Portsmouth and Newark and Sherwood have all issued draft charging schedules. The Redbridge consultation closed on 10 June 2011. All other consultations have now closed.

Colchester, Greater Norwich Development Partnership, Bolton and Mid Devon have not yet issued draft schedules, even though they are amongst the eight front runners selected for support, as being likely to be amongst the first to implement the CIL.

The CIL Regulations came into force on 6 April 2010. The levy is ultimately intended to replace all infrastructure contributions under Section 106 Agreements.

Following public consultation, the draft Schedule must be submitted to an independent examiner, appointed by the Planning Authority. The examiner may approve, approve with amendments, or reject the charging schedule, and must give reasons for the recommendations. The examiner must also allow representations to be heard from

interested parties in the area of the planning authority. In the case of the Mayor of London, this of course includes all London boroughs.

Once the Charging Schedule has been approved, the CIL will be set by the Mayor's office. A proportionate levy according to the area of the development will then be payable before commencement of development in the area to which it applies.

Infrastructure that can be supported by the levy are categorised as:

- Roads and other transport facilities
- Flood defences
- Schools and other educational facilities
- Medical facilities
- Sporting and recreational facilities
- Open spaces

The Crossrail project will qualify under 'roads and other transport facilities'.

Separate charging schedules will be issued by each planning authority, including the London boroughs, in due course. In London the CIL charged by each tier of local government will

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need to be paid on the commencement of development.

There are provisions in the CIL Regulations for the CIL to be recovered from the owner of development land if no developer has assumed liability for payment of the CIL. Liability must be assumed by serving notice on the charging authority in a form to be published by the Secretary of State at the Department for Communities and Local Government. Once the levy is in force, any landowner who has a contract with a developer will require some security from the developer for compliance with the liability to pay the CIL.

Subject to detailed provisions, there are reliefs from CIL for charities and registered providers. Claiming these reliefs is conditional on serving a Commencement Notice on the charging authority no later than the day before chargeable development commences.

Although the Conservative Party expressed the view that they intended, if elected, to repeal the CIL Regulations, the Government has now announced that it intends to abide by them, with amendments to be confirmed. These amendments are now contained in the Localism Bill and will allow local government to pass some of the CIL on to neighbourhoods where the development has taken place. The amendments will also clarify the fact that CIL can be spent on ongoing infrastructure costs as well as initial costs. There are other amendments which detail the conduct of the independent examiner who has to approve the charging schedule before it is put in to force.

For further information or advice, please contact:



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