

# What Community Infrastructure Levy

## Draft Charging Schedule 2022

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## **1.0 What is the Community Infrastructure Levy?**

The Community Infrastructure Levy (CIL) is a charge which can be levied by local authorities on new development in their area. It is an important mechanism to ensure certain types of new development contribute to the infrastructure needed to support that development.

This infrastructure will support the growth aspirations for Birmingham as outlined in the Birmingham Development Plan which includes proposals for over 50,000 new homes and 100,000 new jobs (adopted 10 January 2017).

The charge provides a greater level of certainty for developers and land owners regarding their contributions and will be charged per net square metre of new development.

Whilst most new developments of over 100sqm may be liable for the levy, further explanation regarding calculating the levy or exemptions is contained within this document or is available on line (<https://www.gov.uk/guidance/community-infrastructure-levy>)

## **2.0 2016 CIL Charging Schedule**

When we adopted a CIL in 2016, we needed to bring together “relevant evidence” which showed our aspirations for growth, the infrastructure needed to support that growth and its cost. These documents are available on our website at [BCC CIL](#) and [BCC Evidence Base](#).

## **3.0 2022 CIL Charging Schedule**

The adopted CIL rates have been in place since January 2016 and there has been no demonstrable adverse impact on the supply of development land or the viability of developments coming forward across the city. Since the evidence base for the adopted CIL was prepared, there have been changes to sales values and build costs, and we are taking this opportunity to review our CIL charges.

The relevant evidence to support the proposed 2022 Charging Schedule can be found here: [Evidence base for charging schedule](#)

## **5.0 2022 CIL Charges**

<b>Development Type</b>	<b>Detail</b>	<b>Charge per sq.m.</b>
Retail convenience <sup>1</sup>	<2,700 sqm	£0
Retail convenience <sup>1</sup>	>2,700 sqm	£342.00
Retail <sup>2</sup>	All other	£0
Retail <sup>2</sup>	Greenbelt Development (Sustainable urban extension)	£0
Industrial/ Warehousing	All areas	£50
Offices	City Centre	£25
Offices	Rest of city	£0
Residential	Value zones 1,2 & 3 (High value area)	£125
Residential	Value zones 4,5,6 & 7 (Low value area)	£50
Residential	Green Belt Development (Sustainable urban extension)	£0
Residential	Social Housing (Providers registered with HCA and Birmingham Municipal Housing Trust developments)	£0
Student housing	All areas, except Green Belt Development (Sustainable urban extension)	£125
Student Housing	Green Belt Development (Sustainable urban extension)	£0
Hotel	City centre	£50
Hotel	Green Belt Development (Sustainable urban extension) and rest of city	£0
Leisure	All areas	£0
Education	All areas	£0
Health	All areas	£0
Extra Care	C2 use	£0
All other development	All areas	£0

1. Retail convenience can also include non-food floorspace as part of the overall mix of the unit.
2. Retail - This category will include those retail units selling good not bought on a frequent basis.

## 6.0 CIL Charging Maps

The proposed Charging Maps are best viewed online and are available here: [BCC Planning Obligations](#)

## 7.0 Infrastructure Funding Statement

The Community Infrastructure Levy (CIL) regulations require all local planning authorities that issue a CIL liability notice or enter into section 106 planning obligations during a reporting year to publish an infrastructure funding statement (IFS) at least annually. The infrastructure funding statement should, as a minimum, include the information set out in Schedule 2 to the Community Infrastructure Levy regulations 2010 (as inserted by the 2019 regulations) and our IFS is available [here](#)

## 8.0 What will be liable for CIL?

CIL may be payable on a development which creates net additional floor space, where the gross internal area of new build exceeds 100 sq.m. CIL applies to all types of planning consent, including Local Development Orders and Neighbourhood Development Orders.

## 9.0 What will be exempt from CIL?

- Developments of less than 100 sq.m., unless it is a new house or flat. If it is a new house or flat, CIL is payable.
- Houses, flats, residential extensions or residential annexes which are built by self-builders
- Social housing
- Charitable development
- Buildings into which you do not normally go
- Buildings where you only go intermittently, for inspecting/maintaining fixed plant, machinery etc.
- Any structures which aren't buildings such as pylons
- Any development with a £0 charge as defined in the Charging Schedule
- Vacant buildings brought back into the same use
- Mezzanine floors of less than 200 sq.m. unless they form part of a wider planning permission providing other works.

## 10.0 Calculation

The formula used to calculate CIL liability is defined within the CIL regulations. This involves multiplying our CIL charging rate by the net increase in Gross Internal Area (GIA) and adjusting for inflation.

$$\frac{R \times A \times Ip}{Ic}$$

**R** – the CIL rate for that use

**A** – the deemed net area chargeable at rate R

**Ip** – the index figure for the year in which planning permission was granted

**Ic** – the index figure for the year in which the charging schedule took effect

The All-In Tender Price Index is an inflation index published by the Royal Institute of Chartered Surveyors Building Cost Information Service and is available [here](#).

CIL calculations leading to a liability of less than £50 are treated as zero rated and are not payable.

Further detail on calculating the amount due is contained in the [CIL regulations](#).

If you need any help or advice calculating your CIL liability, please contact Hayley Claybrook at [hayley.claybrook@birmingham.gov.uk](mailto:hayley.claybrook@birmingham.gov.uk) or 07912 451258.

## **11.0 Who pays?**

Landowners are liable for payment of CIL, but other parties can take on the liability to pay their CIL contribution. If no one assumes liability, or payment is not forthcoming from other parties, the liability will automatically default to the landowner.

## **12.0 When and how will I pay?**

- When planning permission is granted through a decision notice (or appeal decision) on or after the date of publication of a CIL Charging Schedule for that area; or
- When development is permitted by a 'general consent' (e.g. permitted development).

The 2022 CIL adoption date will be published on our website once it has been agreed and approved and all applications validated after the published adoption date will be liable for CIL.

There are a number of stages in the CIL collection process which we must follow:

- If you are applying for planning permission, you must include a completed copy of the [Additional CIL Information Form](#) with your application to help us calculate the sum payable
- If your development is granted planning permission by way of a general consent (such as General Permitted Development Orders or Local Development Orders), you must submit a [Notice of Chargeable Development](#) if the development is liable for CIL
- Someone must also assume liability for payment by submitting an [Assumption of Liability Form](#). This could be the developer, landowner or another interested party
- We will then issue a Liability Notice which sets out the charges due and the payment procedure
- Whoever assumes liability must then send us a [Commencement Notice](#) stating when development will start

- We will send a Demand Notice which states the payments and due dates for payment in line with our payment and instalment procedures
- When development starts, and payments are received in line with the procedures, we will issue a receipt for all payments received.

### 13.0 Can I pay my CIL in kind?

It may be possible to pay your CIL liability in kind, through either land or infrastructure, and we will assess each application and make a decision on a case by case basis. Please contact Hayley Claybrook at [hayley.claybrook@birmingham.gov.uk](mailto:hayley.claybrook@birmingham.gov.uk) or 07912 451258 for further information.

Please note, should we agree to an in kind payment of CIL liability, these payments must be agreed through a land or infrastructure agreement before starting on site and can be full or part payment of the CIL liability.

Land or infrastructure must be valued by an independent valuer to ascertain open market value of land or the cost of the infrastructure to decide how much of the CIL liability will be paid by the in kind payment.

Further information regarding in kind payments is contained within the [CIL regulations](#).

### 14.0 Instalments

The Instalment Policy is detailed below and cannot be amended once adopted.

Total CIL payment due	Payment Terms
Less than £30,000	Total payable within 60 days of commencement
£30,000 - £100,000	25% payable within 60 days of commencement 75% payable within 240 days of commencement (c. 8 months)
£100,001 - £500,000	25% payable within 60 days of commencement 25% payable within 240 days of commencement (c. 8 months) 50% payable within 365 days of commencement (c. 1 year)  NB Full payment is due if full occupation/opening of development is earlier than the dates set out above.

Total CIL payment due	Payment Terms
£500,001 - £1,000,000	20% payable within 60 days of commencement 20% payable within 240 days of commencement of development (c. 8 months) 30% payable within 365 days of commencement (c. 1 year) 30% payable within 540 days of commencement (c. 18 months)  NB Full payment is due if full occupation/opening of development is earlier than the dates set out above.
More than £1,000,001	20% payable within 60 days of commencement 20% payable within 240 days of commencement of development (c. 8 months) 20% payable within 365 days of commencement (c. 1 year) 20% payable within 540 days of commencement (c. 18 months) 20% payable within 730 days of commencement (c. 2 years)  NB Full payment is due if full occupation/opening of development is earlier than the dates set out above.

If these instalment terms are broken, we will issue a Demand Notice which requires full payment immediately.

Similarly, if no Commencement Notice is received and we have to determine the “deemed commencement” date, we will issue a Demand Notice for CIL liability, which must be paid immediately in full.

## 15.0 Developer contributions and S106 Agreements

You could be asked to contribute towards infrastructure in different ways. This could be through CIL, S106 agreements, S278 highway agreements and any conditions which may be attached to your planning permission.

### 15.1 Section 106 agreements

The CIL should provide infrastructure to support the development of the whole area covered by the Development Plan. However, some site specific issues or mitigation might still be needed to make sure planning permission is granted.

Whilst the majority of our viability appraisals assume a zero CIL liability, there may still be a need for on-site requirements, and these will be assessed on each planning application.



You should note that while S106 agreements will remain, they will continue to be negotiable and therefore will be negotiated *after* the CIL contribution has been calculated.

S106 agreements should continue to be;

- (a) necessary to make the development acceptable in planning terms;
- (b) directly related to the development; and
- (c) fairly and reasonably related in scale and kind to the development

## 15.2 Section 278 agreements

Section 278 agreements are agreements between the highway authority and someone who agrees to pay all or part of the highways works.

## 16.0 Percentage to neighbourhoods

We have to pass on a percentage of CIL receipts to those communities affected by new developments.

15% of CIL receipts must be passed to Parish and Town Councils where development has taken place. This is capped at £100 per council tax dwelling, per year.

If there is a Neighbourhood Plan or a Neighbourhood Development Order (including a Community Right to Build Order) in place, the amount passed to that Neighbourhood Plan area is increased to 25%, with no annual cap.

Parish Council <input checked="" type="checkbox"/> Neighbourhood Plan <input checked="" type="checkbox"/>  = 25% uncapped, paid to Parish	Parish Council <input checked="" type="checkbox"/> Neighbourhood Plan <input checked="" type="checkbox"/>  = 15% capped at £100/dwelling, paid to Parish
Parish Council <input checked="" type="checkbox"/> Neighbourhood Plan <input checked="" type="checkbox"/>  = 25% uncapped, local authority consults with community	Parish Council <input checked="" type="checkbox"/> Neighbourhood Plan <input checked="" type="checkbox"/>  = 15% capped at £100/dwelling, local authority consults with community

These percentages will still apply if there are no Neighbourhood Plans or Parish Councils, but we will keep these contributions, and engage with local communities to determine how best to spend the money. The funds will be passed on every six months, at the end of October and April.

If a developer has contributed in kind CIL payments in the form of infrastructure, we will ensure a cash equivalent contribution to local communities.

The percentage passed to neighbourhoods can be spent on a wider range of infrastructure than the rest of CIL, as long as it still supports the development of the area.

## **17.0 Review**

The CIL viability study can only demonstrate viability at a moment in time and cannot forecast future changes in the market. Therefore we will keep our CIL charges under review to make sure they remain appropriate. If market conditions change significantly, or the infrastructure funding gap changes, we will review and alter the CIL charges as necessary. Any proposed changes to the CIL charge will be posted on the CIL pages on our website, and you will have the opportunity to comment before any changes are made.

We anticipate the next CIL review will be completed in line with our Development Plan review.

We can decide to stop charging a CIL at any time. If we were to do this, any CIL liability relating to a development which hasn't started would be dissolved and no CIL would be payable.

## **18.0 Sustainability**

The CIL charging schedule does not require a Sustainability Appraisal as it is a short financial document rather than a "land use planning" document.

**Links to other relevant information:**

[Planning Practice Guidance - Community Infrastructure Levy](#)

**CIL regulations**

**HMSO**

Community Infrastructure Regulations (March 2010) (Statutory Instrument 2010 no. 948): [Community Infrastructure Regulations](#)

(It should be noted that these principal regulations have been amended in part by subsequent regulations and the HMSO web site should be consulted for all relevant amendments)

**Further information is available from:**

[The Planning Portal](#)

[The Planning Advisory Service - CIL](#)

[CIL - How to make an appeal](#)

