

## Appendix 4 – Community Infrastructure Levy (CIL)

The Community Infrastructure Levy or CIL (as set out in the Planning Act 2008) is a new system of developer contributions that is intended to supplement other public sector revenue streams to ensure that community infrastructure needed to support development is provided. In areas where a community infrastructure levy is in force, land owners and developers must pay the levy to the local council.

The levy is designed to be fairer, faster and more transparent than the previous system and it will generally replace developer contributions through Section 106 Agreements<sup>1</sup> except in relation to affordable housing and on site infrastructure.

The charges are set by the local council, based on the size and type of the new development.

The money raised from the community infrastructure levy can be used to support development by funding infrastructure that the council, local community and neighbourhoods want, like new or safer road schemes, park improvements or a new health centre.

The community infrastructure levy:

- gives local authorities the freedom to set their own priorities for what the money should be spent on
- gives local authorities a predictable funding stream that allows them to plan ahead more effectively
- gives developers much more certainty from the start about how much money they will be expected to contribute
- makes the system more transparent for local people, as local authorities have to report what they have spent the levy on each year

The [Community Infrastructure Levy \(Amendment\) Regulations 2011](#) came into force on 6 April 2011.

[The Local Authorities \(Contracting Out of Community Infrastructure Levy Functions\) Order 2011](#) came into force on 7 December 2011.

It is intended that, if adopted, CIL will be a payable on all new development, subject to the development remaining viable and profitable. It will be imposed when planning permission is granted and will be charged at the commencement of development or by instalments over fixed time periods for larger developments.

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<sup>1</sup> [section 106 of the Town and Country Planning Act 1990.](#)

CIL is not calculated on an individual development basis but will be a standard charge per square metre over the whole of the District with the exception of affordable housing and buildings used by charities.

The finance generated will be used to secure strategic infrastructure in the District which is required to accommodate the level of housing and employment growth set out in the adopted Local Plan.

Unlike Section 106 Agreements CIL are intended to be

- A modest, fixed charge which will be transparent, predictable and certain,
- Charged on broad classes of development where evidence shows that the CIL can be paid without making development unviable,
- Much less time consuming, as it does not involve extensive local negotiations, so development will happen more quickly,
- Beneficial to local communities as a meaningful proportion of the charge will be passed to them to secure local infrastructure,
- Spent anywhere in the District rather than being restricted to the area close to a development, and
- Pooled together so that small payments can end up financing significant infrastructure.

In the event that Frome Town Council wished to fund key infrastructure projects via CIL there is a well defined process of consultation that will be required prior to adoption and in order to do so it would need to prepare a Draft Charging Schedule (DCS).

The DCS must be based on evidence which shows:

- what infrastructure is required to support proposed development,
- how much it will cost to provide that infrastructure,
- what other funding streams are available to pay for the infrastructure, and
- how viable will it be for chargeable development to pay the proposed charge.

The evidence supporting the DCS would include Mendip District Council's Local Plan together with Frome Town Council's Neighbourhood Plan.