

# Taunton Deane Borough Council

## Executive - 10 July 2013

### Introduction of the Community Infrastructure Levy (CIL) in Taunton Deane – Proposed Policy for Payment by Instalments

#### Report of the Policy Lead Officer

(This matter is the responsibility of Executive Councillor Edwards)

#### 1.0 Executive Summary

The CIL Regulations allow for payment by instalments and developers have made representations to the Council in favour of an instalments policy. The Council needs to bring forward such a policy so that this can be available for the CIL Examination on 24<sup>th</sup> July, although the policy itself will not be formally examined.

#### 2.0 Background

- 2.1 At its meeting on 20<sup>th</sup> June 2012, the Executive agreed to progress the introduction of the Community Infrastructure Levy (CIL) in Taunton Deane, and approved a Preliminary Draft Charging Schedule (PDCS) for consultation.
- 2.2 Following consultation on the PDCS, a Draft Charging Schedule (DCS) was then prepared, taking account of the comments which had been received, and made available for representations between 1<sup>st</sup> February and 15<sup>th</sup> March, 2013. The DCS has now been submitted for independent Examination, which is to be held on 24<sup>th</sup> July.
- 2.3 Respondents at the PDCS stage suggested that the Council include with the charging schedule a policy for payment of CIL by instalments, rather than this being prepared after CIL had been adopted. A draft instalment policy was therefore prepared and attached to the report approved by the Executive on 16<sup>th</sup> January, 2013. However, this draft policy needs to be amended in key respects, as explained below.

#### 3.0 Proposed Instalments Policy

- 3.1 Regulation 69B of the Community Infrastructure Levy (Amendment) Regulations 2011 allows a charging authority to accept payment of CIL by instalments, so long as it publishes on its website a policy to that effect.
- 3.2 The instalment policy as now proposed is attached to this report (Appendix 1). The main differences from the draft policy of January 2013 are:

- (i) All categories of development, whether residential or non-residential, should be subject to the same type of instalment policy – to do otherwise would pose intractable problems in the case of mixed-use developments.
- (ii) It does not appear possible to have payment by instalments linked to completion of a specified proportion of dwellings or floorspace on a site. This is because the complexity of the CIL administration process requires automation, and the computer software is only able to issue notices, letters, etc. in response to an elapse of periods of time.

3.3 In the light of (ii) above, consideration has been given to the rate at which developments might be completed, and thus the number of instalments and time periods for payment of each instalment.

3.4 It is important to note that, if there is no instalment policy in place, payment of CIL becomes due in full 60 days following commencement of development.

#### 4.0 Links to Corporate Aims

4.1 The funding that will be obtained through the introduction of CIL is fundamental to delivering the Council's objectives for tackling deprivation and sustainability community development, regeneration and climate change. At present, under the Regulations, CIL cannot be spent on providing affordable housing.

#### 5.0 Environmental Implications

5.1 There are no direct environmental implications.

#### 6.0 Community Safety Implications

6.1 There are no identified community safety implications.

#### 7.0 Equalities Impact

7.1 No separate Equalities Impact Assessment has been carried out as CIL is essentially a mechanism, rather than a proposal in its own right.

#### 8.0 Risk Management

8.1 The principal risks associated with failure to introduce CIL are that the infrastructure needed to deliver the growth in the Core Strategy cannot be provided. This would undermine the long-term strategy for Taunton Deane and the achievement of the Council's corporate objectives.

#### 9.0 Partnership Implications

9.1 The Council will need to work in partnership with a range of other organisations to deliver the proposals using CIL receipts.

#### 10.0 Recommendations

10.1 The Executive is requested to endorse the proposed Instalment Policy.

11.0 Persons to Contact

Phil Bisatt, Policy Officer (Planning and Development)

Tel: (01823) 356305

E-mail: [p.bisatt@tauntondeane.gov.uk](mailto:p.bisatt@tauntondeane.gov.uk)

**Taunton Deane Borough Council**  
**Community Infrastructure Levy (CIL)**  
**Draft Instalment Policy**

In accordance with Regulation 69B of the Community Infrastructure Levy (Amendment) Regulations 2011, Taunton Deane Borough Council will allow the payment of CIL by instalments.

As permitted under Regulation 9 (4) of the Community Infrastructure Levy Regulations 2010 (as amended), where outline planning permission has been granted which permits development to be implemented in phases, each phase of the development as agreed by Taunton Deane Borough Council is a separate chargeable development, and the instalment policy will therefore apply to each separate chargeable development and the associated separate chargeable amount.

This policy will not apply in the case of any one or more of the following:

- a. A Commencement Notice has not been submitted prior to commencement of the chargeable development, as required by Regulation 67 of the Community Infrastructure Levy Regulations 2010 (as amended);
- b. On the intended date of commencement
  - (i) No-one has assumed liability to pay CIL in respect of the chargeable development;
  - (ii) A Commencement Notice has been received by Taunton Deane Borough Council in respect of the chargeable development; and
  - (iii) Taunton Deane Borough Council has not determined a deemed commencement date for the chargeable development and payment is therefore required in full (as specified in Regulation 71 of the Community Infrastructure Levy Regulations 2010 (as amended));
- c. A person has failed to notify Taunton Deane Borough Council of a disqualifying event before the end of 14 days beginning with the day on which the disqualifying event occurs, as per the Community Infrastructure Levy Regulations 2010 (as amended);
- d. An instalment payment has not been made in full after the end of the period of 30 days beginning with the day on which the instalment payment was due, as per the Community Infrastructure Levy Regulations 2010 (as amended).

Where the instalment policy is not applicable, the amount must be paid in full at the end of the period of 60 days beginning with the notified or deemed commencement date of the chargeable development or the date of the disqualifying event, whichever is the earliest, unless specified otherwise within the Community Infrastructure Levy Regulations 2010 (as amended).

Once the development has commenced, all CIL payments must be made in accordance with the CIL Instalment Policy. Where a payment is not received in full on or before the day on which it is due, the total CIL liability becomes payable in full immediately (Regulation 70(8)(a) of the Community Infrastructure Levy Regulations 2010 (as amended)).

The Instalment Policy takes effect on xxxx, the date of the introduction of the Taunton Deane Community Infrastructure Levy: Charging Schedule 2013.

| <b>Total CIL liability</b>   | <b>Number of instalments and amount payable</b> | <b>Payment period</b>   |
|--|---|---|
| Amount less than £16,000 or the amount due in respect of a single dwelling | Payable in two instalments                      | 1 <sup>st</sup> instalment of 50% payable within 60 days of the commencement date<br>2 <sup>nd</sup> instalment of 50% payable within 120 days of the commencement date   |
| Amount between £16,000 and £50,000 in respect of two or more dwellings     | Payable in three instalments                    | 1 <sup>st</sup> instalment of 25% payable within 60 days of the commencement date<br>2 <sup>nd</sup> instalment of 25% payable within 120 days of the commencement date<br>3 <sup>rd</sup> instalment of 50% payable within 180 days of the commencement date |
| Amount between £50,000 and £500,000  | Payable in three instalments                    | 1 <sup>st</sup> instalment of 25% payable within 90 days of the commencement date<br>2 <sup>nd</sup> instalment of 25% payable within 225 days of the commencement date<br>3 <sup>rd</sup> instalment of 50% payable within 360 days of the commencement date |
| Amount over £500,000   | Payable in three instalments                    | 1 <sup>st</sup> instalment of 25% payable within 90 days of the commencement date<br>2 <sup>nd</sup> instalment of 25% payable within 405 days of the commencement date<br>3 <sup>rd</sup> instalment of 50% payable within 720 days of the commencement date |

Nothing in this policy prevents payments being made at earlier times than specified above.