



Shropshire
Council



CIL

Resource
Pack Lite

COMMUNITY **INFRASTRUCTURE** **LEVY**

A Quick Guide for **Planning Applicants**

Resource Pack *Lite* for Applicants

What is Community Infrastructure Levy?

What to do when submitting a Planning Application!

This document is Version 3 of the CIL: Quick Guide for Planning Applicants dated 15/06/2015. Any future amendments to the CIL Regulations will not be reflected within this document.

Disclaimer: This Guide is for information purposes only. If you require information for legal purposes, please refer to the National CIL Regulations available at: <http://www.legislation.gov.uk/>

This Guide provides an initial overview of the CIL in Shropshire. If you require further information please refer to the Shropshire Council Full Guide for Applicants or *Technical Guide for Applicants* documents available on the Council website at: www.shropshire.gov.uk/CIL.

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1. INTRODUCTION

What is the Community Infrastructure Levy?

The Community Infrastructure Levy (CIL) is a charge on new development to help fund supporting infrastructure. The CIL levy is based on the size, type and location of new development. CIL liability is calculated using the Gross Internal Area of a development.

What is a Section 106 Agreement?

A Section 106 Agreement (S106 Agreement) is a legal agreement that stipulates the obligations placed on a development in order to make the development acceptable in planning terms.

Shropshire Council will continue to utilise S106 Agreements to secure site-specific mitigation and Affordable Housing. In some instances, S106 Agreements may also be used for larger development sites that have their own specific infrastructure needs that may be more suitably dealt with through S106 Agreements.

The Council will also utilise Section 278 Highways Agreements (S278 Highway Agreements), to address the highway needs/impacts of a development.

How do CIL and S106 Agreements differ?

The purpose of CIL is to provide the infrastructure required to support the development of an area, whilst S106 Agreements contain obligations required to make individual Planning Applications acceptable in planning terms.

The actual planning obligations within a S106 Agreement and their payment timescales are negotiated on a site by site basis. CIL is non-negotiable and applies to all qualifying development. CIL is payable on the commencement of development, or where eligible, in accordance with the Shropshire Council instalment policy.

What are the benefits of the CIL?

The CIL benefits both developers and the local community by:

1. Identifying and prioritising the infrastructure needs across Shropshire;
2. Providing funding to pay for the infrastructure required to support new development;
3. Allowing developers increased certainty about expected financial contributions; and
4. Ensuring greater transparency for communities, about the contributions that new development makes to local infrastructure needs.

Why should development pay for infrastructure?

Most development will either impact upon the need for infrastructure, services and amenities; or benefit from the provision of infrastructure, services and amenities. Therefore it is reasonable that development contributes to the cost of providing this infrastructure.

What infrastructure will CIL deliver?

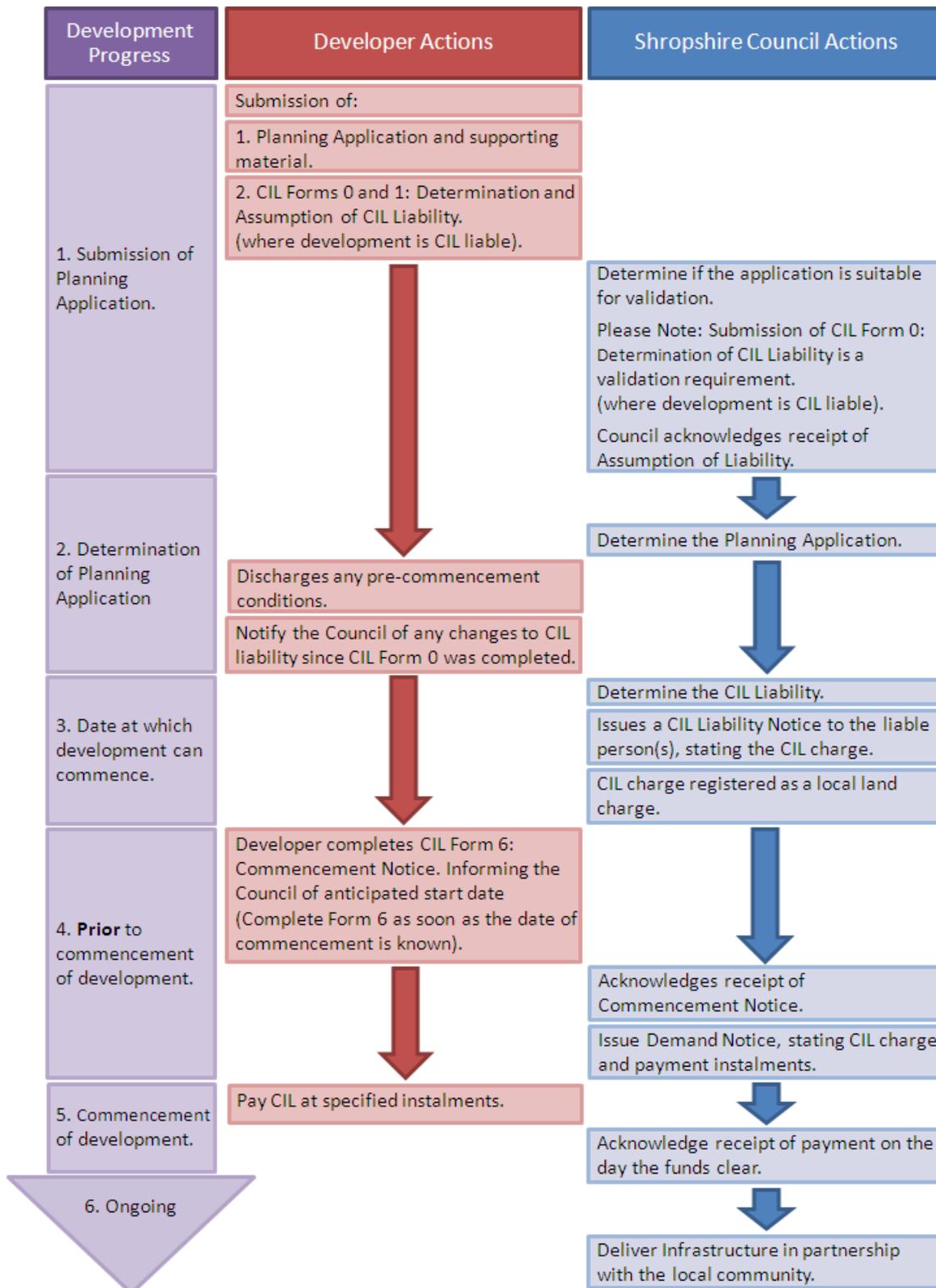
Shropshire Council has considerable discretion and flexibility about how CIL is spent, provided monies are spent, provided monies are used to:

- Fund the *provision, replacement, operation or maintenance* of the infrastructure required to support the development of Shropshire. This includes a) roads and other transport facilities, b) flood defences, c) schools and other educational facilities, d) medical facilities, e) sporting and recreational facilities, and f) open spaces. *Please Note: This is not an exhaustive list, rather it provides an indication of what constitutes 'infrastructure'.*
- Funding the capital costs of infrastructure provision and the on-going revenue costs associated with that capital provision.
- Funding items related to project delivery, including fees associated with the capital project such as planning, architect or project management fees.

2. THE CIL PROCESS

Figure 1 shows the basic CIL process. Further information on each of these stages is provided in **Section 3: The Shropshire Community Infrastructure Levy**.

Figure 1: The CIL Process



Please Note: All of the CIL Forms required to complete the CIL process, are available on the Council website at: www.shropshire.gov.uk/CIL

3. THE SHROPSHIRE COMMUNITY INFRASTRUCTURE LEVY

What forms of development are liable to pay CIL?

In Shropshire, the CIL applies to all Planning Applications for residential development where the Planning Application:

1. Involves the formation of one or more new dwellings (including holiday lets), either through conversion or new build, regardless of size (unless it is 'affordable housing'); or
2. Involves the establishment of new residential floorspace (including extensions and replacements) of 100sqm or above. *Note: If the additional residential floorspace is over 100sqm then all additional floorspace created is CIL liable, not just the area exceeding this threshold.*

Residential development includes the formation of one or more dwellings, including holiday lets; the extension of one or more dwellings, including holiday lets; and formation of one or more buildings ancillary to a dwelling, including holiday lets, such as garages; conservatories and substantial sheds.

Non-residential development, such as employment related development, is not liable for CIL, although it will make contributions to infrastructure through other means, such as Section 106 Agreements.

In order to assess whether development is liable to contribute to CIL, applicants are required to complete **CIL Form 0: Determining CIL liability** available on the Council website at: www.shropshire.gov.uk/CIL.

CIL Form 0: Determination of CIL Liability must be submitted alongside any potentially CIL liable Planning Application. Failing to submit this form may delay the validation of your Planning Application and determination of your CIL liability. However, validation of your Planning Application without submission of this form does not necessarily mean that your development is not liable for CIL.

In the absence of **CIL Form 0: Determining CIL liability**, or if the information provided within the form is insufficient, the Council will request additional information, potentially through the submission or re-submission of **CIL Form 0: Determining CIL liability**.

If this is not provided, the CIL Team will calculate the CIL liability based on the information provided within the Planning Application. This may result in an inflated charge, as we will be unable to discount any existing floorspace.

*Please Note: From the 1st April 2014, Shropshire Council will only accept the Shropshire Council **CIL Form 0: Determination of CIL Liability V5** or later, or the most recent version of the form on the National Planning Portal. This is because other versions of this form are not compliant with recent amendments to the National CIL Regulations.*

Who pays the CIL levy?

Responsibility to pay the levy runs with the ownership of the land, therefore ultimately it is the landowner(s) that is liable for CIL. However another party(ies) can assume liability for CIL by either:

- Submitting the Shropshire Council recommended **CIL Form 0: Determining CIL liability**, which contains a section on assuming liability; or
- Submitting **CIL Form 1: Assumption of liability**, which allows relevant party(ies) to assume liability.

These forms are available on the Council website at: www.shropshire.gov.uk/CIL.

Once a party(ies) has assumed liability for the CIL associated with a development they can withdraw or transfer this assumption until such time as development commences. Once development commences a liable party(ies) can only transfer the liability to another party(ies), they **cannot** withdraw their assumption for the liability.

Assumption of liability may be:

- Withdrawn at any time prior to the commencement of development, by submitting: **CIL Form 3: Withdrawal of assumption of liability.**
- Transferred at any time (including once development has commenced) by submitting: **CIL Form 4: Transfer of assumption of liability.**

These forms are available on the Council website at: www.shropshire.gov.uk/CIL.

We would always recommend that you transfer the assumption of liability to another party(ies) rather than withdrawing assumption of liability.

A CIL Liability Notice will be issued to the landowner(s) or the party(ies) that has assumed liability as soon as practicable after planning permission is granted. A copy of the notice will also be submitted to any interested party(ies).

What are the CIL levy rates?

In Shropshire, 3 charging rates apply, based on our CIL charging zones and on categories of development. Figure 2 provides an overview of Shropshire’s CIL rates per square metre of development:

Figure 2: Overview of Shropshire’s CIL

Type of development	Area	
	Shrewsbury, the market towns and other key centres ¹	Rural – the rest of Shropshire
Residential development, including holiday lets (use class C3) <i>excluding affordable housing as defined below</i>	£40/sqm ³	£80/sqm ³
Affordable housing that meets the Council’s definition of affordable dwellings ²	Nil	Nil
Non-residential use: <ul style="list-style-type: none"> • Employment, commercial and retail development (use classes A1-A5 and B1-B8) • Hotels, residential institutions, assembly and leisure (use classes C1, C2, D1, D2) • Agricultural development • Sui generis land uses 	Nil	Nil

¹Albrighton, Bishops Castle, Bridgnorth, Broseley, Church Stretton, Cleobury Mortimer, Craven Arms, Ellesmere, Highley, Ludlow, Market Drayton, Much Wenlock, Oswestry, Minsterley/Pontesbury, Shifnal, Shrewsbury, Wem, and Whitchurch. Maps of the CIL charging zones are available on the Shropshire Council website at: [www.shropshire.gov.uk/planning-policy/what-is-the-community-infrastructure-levy-\(cil\)/cil-charging-schedule/](http://www.shropshire.gov.uk/planning-policy/what-is-the-community-infrastructure-levy-(cil)/cil-charging-schedule/)

²The Council’s definition of “affordable housing” is contained in Appendix G of the Type and Affordability of Housing Supplementary Planning Document (March 2011). This document can be viewed on the Shropshire Council website at: [https://shropshire.gov.uk/planning-policy/supplementary-planning-documents-\(spds\)/type-and-affordability-of-housing/](https://shropshire.gov.uk/planning-policy/supplementary-planning-documents-(spds)/type-and-affordability-of-housing/)

³ The CIL rates charged within Shropshire are subject to indexation (using the national BCIS All-in Tender Price Index). This is to ensure that the CIL levy reflects changes to build costs.

How do I know which of the CIL levy rate applies to me?

Figure 3 is a map that indicates the different charging areas across Shropshire. These areas are:

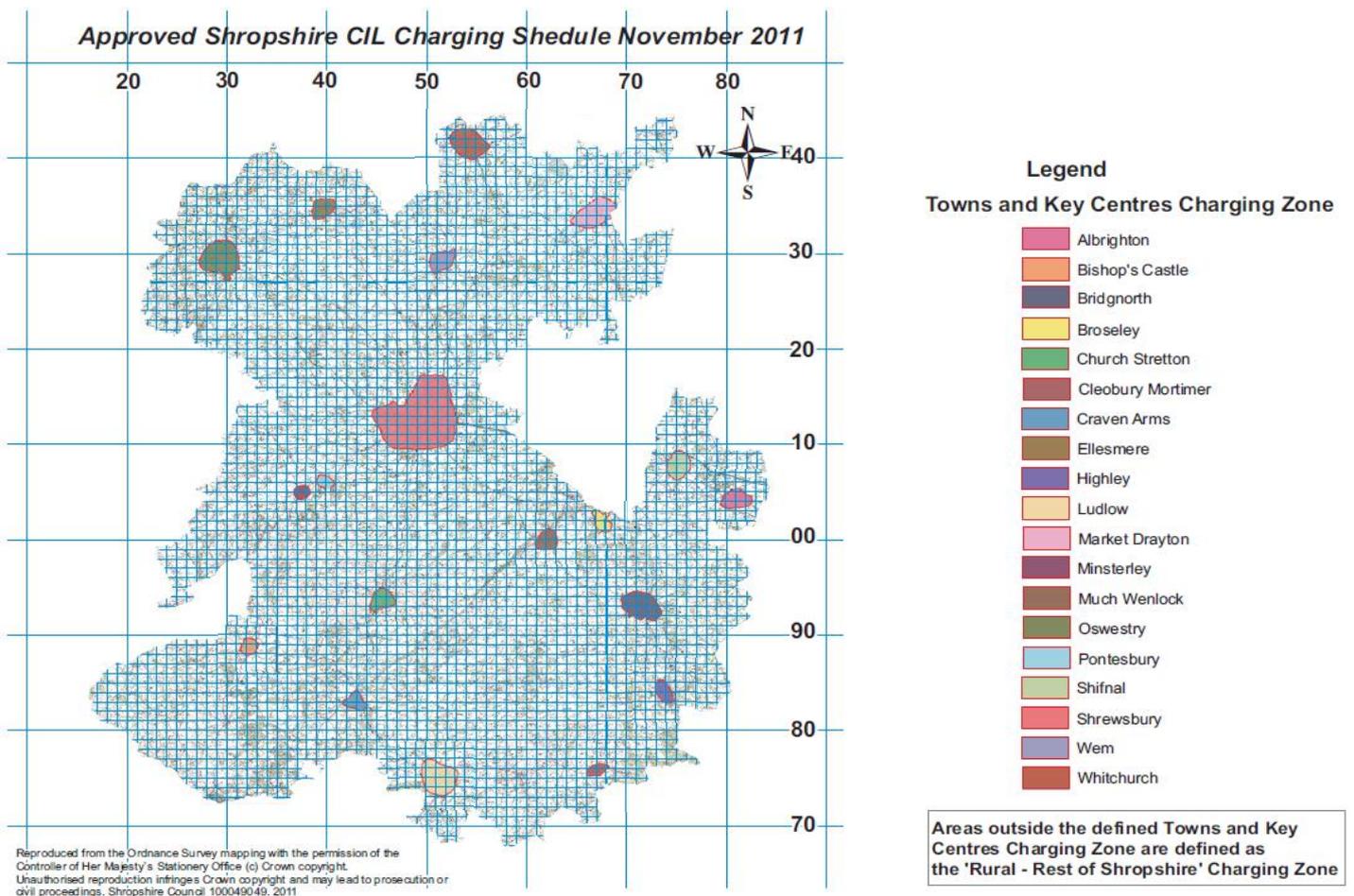
- The Towns and Key Centres Charging Area:** highlighted by the various coloured areas and have a CIL chargeable rate of £40/sqm.
 This area covers Albrighton, Bishops Castle, Bridgnorth, Broseley, Church Stretton, Cleobury Mortimer, Craven Arms, Ellesmere, Highley, Ludlow, Market Drayton, Much Wenlock, Oswestry, Minsterley/Pontesbury, Shifnal, Shrewsbury, Wem, and Whitchurch.
- The Rural – ‘Rest of Shropshire’ Charging Zone:** represented by the areas outside the defined Towns and Key Centres Charging Zone and have a chargeable rate of £80/sqm.

Helpful Hint: If you wish to view a larger map:

- Double click with the left mouse button on the corresponding area on the map or the name of the town in the legend; and
- Right click and select open hyperlink, to open a larger map of the area.

Or visit: [www.shropshire.gov.uk/planning-policy/what-is-the-community-infrastructure-levy-\(cil\)/cil-charging-schedule/](http://www.shropshire.gov.uk/planning-policy/what-is-the-community-infrastructure-levy-(cil)/cil-charging-schedule/)

Figure 3: Approved Shropshire CIL Charging Schedule (November 2011)



What is chargeable floorspace?

Within Shropshire, the CIL levy applies to all residential floorspace, including Holiday Lets which are considered Use Class C3: Residential and the floorspace of any ancillary buildings such as garages.

The amount of chargeable floorspace is calculated using the “**gross internal area**” of the “**development for which planning permission is granted**” (CIL Regulations 40 and 9).

The ‘**gross internal area**’ of a building is calculated based on the gross internal floorspace of all residential (and ancillary residential) buildings within a proposal. The gross internal floorspace of a building is the area of a building measured to the internal face of the perimeter walls at each floor level (over each floor of the development). This includes:

- Areas occupied by internal walls and partitions
- Columns, piers, chimney breasts, stairwells, lift-wells, other internal projections, vertical ducts, and the like;
- Atria and entrance halls
- Circulation and service space such as corridors and stairways
- Communal space
- Service accommodation such as toilets, toilet lobbies, bathrooms, showers, changing rooms, cleaners’ rooms, and the like;
- Voids over stairwells and lift shafts on upper floors
- Areas with a headroom of less than 1.5m
- Attic rooms that are useable as rooms
- **Buildings ancillary to the dwelling including** garages, conservatories, sheds and any other ancillary residential buildings contained within a Planning Application.

Only buildings permitted for a temporary period, or buildings ‘into which people do not usually go’, such as buildings used only intermittently for the purpose of inspecting or maintaining fixed plant or machinery are not CIL liable.

The amount of chargeable floorspace is calculated by completing **CIL Form 0: Determining CIL liability**, which requires information on:

1. The total residential floorspace including existing floorspace and any proposed extensions. This is for every floor of the development.
2. The total floorspace of any proposed ancillary buildings, including garages etc. This is for every floor of the development.

Misleading or inaccurate answers may result in a CIL charge that is higher than it needs to be and in some cases additional surcharges may be imposed.

Further guidance on how to complete **CIL Form 0: Determining CIL liability** is available on the Council website at: www.shropshire.gov.uk/CIL.

Can existing floorspace be deducted from the chargeable floorspace?

In certain circumstances, buildings to be demolished or converted as part of a development may be eligible to be deducted from the chargeable area provided they:

- Are considered a permanent (not subject to a temporary permission) and substantial building.

AND

- Are to be demolished or part of the chargeable development upon completion; and contains a part that has been 'in lawful use' for a continuous period of at least six months within the period of three years ending on the day planning permission first permits the chargeable development;

OR

- Where the existing building is to be re-used, and the proposed use and existing/previous use are the same (no change of use occurs), other than where there is an increase in floorspace, or where the building has been abandoned.

For information:

- *Any buildings demolished prior to the day planning permission first permits the chargeable development cannot be deducted from the chargeable floorspace.*
- *The day Planning Permission first permits the chargeable development is defined in the CIL Regulations (2010) as amended, as the date at which development may commence, this is usually the date Planning Permission is granted. However:*
 - *Where development is phased through an Outline and subsequent Reserved Matters Applications this is usually the day the last Reserved Matter associated with each phase of development is agreed.*
 - *Where the development is phased through any other form of Planning Application, this is the day final approval is given under any pre-commencement condition associated with that phase; or where there are no pre-commencement conditions associated with that phase, the day planning permission is granted.*
- *A 'lawful use' is a use, operation or activity for which a building is used that is lawful for planning control purpose - its use is consistent with its approved use.*
- *If a building is to be considered 'in lawful use' it must have been used for a lawful purpose, for a continuous period of 6 months within the last three years.*

It is the applicant's responsibility to provide the evidence necessary to determine that an existing building is suitable for consideration as deductible floorspace. This evidence includes, but is not limited to:

- 1. Whether a building is a permanent and substantial structure;**
- 2. The building has a 'lawful use' and if so its 'lawful use';**

AND

- 3. That the existing building is to be demolished/re-used as part of the development;**
- 4. That the building has been 'in lawful use' for a continuous period of six months within the last three years ending on the day planning permission first permits the chargeable development**
- 5. What this 'lawful use' is/was; and**
- 6. Whether this use is ongoing, or if not, when it last occurred.**

OR

- 7. That the existing building is to be re-used as part of the development; and**
- 8. That the 'lawful use' of the existing building is consistent with the proposed use (no change of use occurs).**

Misleading or inaccurate answers may result in a CIL charge that is higher than it needs to be and in some cases additional surcharges may be imposed.

Regulation 9 of the CIL Regulations (2010) specifies that where the Council does not have sufficient information, or information of sufficient quality, to enable it to establish “(a) the gross internal area of a building situated on the relevant land; or (b) whether a building situated on the relevant land is ‘in lawful use’, the Collecting Authority may deem the gross internal area of the building to be zero”.

The buildings and floorspace that can be deducted from the chargeable floorspace are calculated by completing **CIL Form 0: Determining CIL liability**. In order to provide the necessary declaration that existing buildings on the site are ‘in lawful use’ and therefore eligible to be deducted from their liability, this form must be completed:

1. *Alongside the submission of the Planning Application; and if applicable,*
2. *Following the discharge of any pre-commencement conditions/approval of the final reserved matters.*

If we do not receive a completed **CIL Form 0: Determining CIL liability**, we must assume that any existing buildings are not ‘in lawful use’ and there is no deductible floorspace.

*Please note: The Council must be notified if the amount of deductible floorspace changes for any reason between submission of the Planning Application and the date at which Planning Permission first permits the chargeable development. The Council may request this information through the re-completion of **CIL Form 0: Determining CIL liability**.*

Further guidance on how to complete **CIL Form 0: Determining CIL liability** is available on the Council website at: www.shropshire.gov.uk/CIL.

Misleading or inaccurate answers may result in a CIL charge that is higher than it needs to be and in some cases additional surcharges may be imposed.

What is the difference between CIL Liability and CIL Charge?

A development is liable for CIL if it involves the formation of a new dwelling of any size, or if it involves extensions to an existing dwelling of over 100sqm, before making deductions for existing floorspace that it to be converted or demolished.

For extensions, *CIL liability* is calculated using the “**gross internal area**” of the “**development for which planning permission is granted**” (CIL Regulations 40 and 9). This is the proposed floorspace of a development **before** the consideration of any deductions for existing floorspace that is to be converted or demolished.

Regulation 42 of the CIL Regulations (2010) specifies:

“(1) Liability to CIL does not arise in respect of a chargeable development if, on completion of that development, the gross internal area of new build on the relevant land will be less than 100 square metres.

(2) But paragraph (1) does not apply where the chargeable development will comprise one or more dwellings.

(3) In paragraph (1) ‘new build’ means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings”.

If a development is liable for CIL the *CIL charge* is calculated using the “**gross internal area**” of the “**development for which planning permission is granted**” (CIL Regulations 40 and 9) minus the “**gross internal area**” of any existing buildings that are considered deductible.

Further guidance on how to complete **CIL Form 0: Determining CIL liability** is available on the Council website at: www.shropshire.gov.uk/CIL.

Misleading or inaccurate answers may result in a CIL charge that is higher than it needs to be and in some cases additional surcharges may be imposed.

So in summary, how much will I pay?

The CIL levy that you will pay depends on three factors:

- The type of development;
- The location of development; and
- The gross internal floorspace of the development (following any deductions).

The type of development

If the development involves the formation of one or more new dwellings or holiday lets, either through conversion or new build, regardless of size (unless it is 'affordable housing'); or it involves the establishment of additional residential floorspace (including extensions) of 100sqm or above then it is liable to pay CIL.

The location of development

In Shropshire, there are three charging rates. Two are dictated by the location of development, the third by the type of development. **CIL charging zones** can be viewed in Figure 3 of this document or on the Council website at: www.shropshire.gov.uk/CIL

Please be aware that these charging rates are subject to indexation (using the national BCIS All-in Tender Price Index), to ensure rates reflect changes to build costs.

The amount of development

The amount of development is the amount of chargeable floorspace, less any deductible floorspace (as defined in above).

What do I do BEFORE I commence development?

Before development starts, the Liable Party(ies) **MUST** notify the Council and all owners of the relevant land, of the intended commencement date of the development by sending a **CIL Form 6: Commencement Notice** (unless it is for an exempt residential extension scheme). The Council can only accept notification of commencement on **CIL Form 6: Commencement Notice**.

Failure to submit CIL Form 6: Commencement Notice or late submission of the form following the commencement of work will result in the need to make immediate payment of the total CIL liability and a surcharge of 20% of the CIL levy, up to a maximum of £2,500.

Please Note: **CIL Form 6: Commencement Notice** is only considered to be submitted when the Council receives the form, not when the form is sent. In order to ensure quick and recordable submission, we would encourage you to email it to:

CIL@shropshire.gov.uk.

When the Council receives a valid **CIL Form 6: Commencement Notice**, we will issue a CIL Demand Notice (invoice) to the Liable Party(ies) who have assumed liability, or the landowner if no-one has assumed liability.

Where an application permits the implementation of development in phases, and it has been agreed that the payment of CIL will occur in phases, each phase of the development is considered a separate chargeable development. CIL can only be phased if the permission (i.e. the Outline of Full permission) expressly allows for this to occur.

Therefore a separate **CIL Form 6: Commencement Notice** will be required for each phase.

How do I pay?

Shropshire Council can accept payment using the [Shropshire Council: Pay For It Service](#); a BACs transfer or cheque. Further information on each option is provided in Figure 4.

Figure 4: Methods of paying CIL

Method of Payment	Instructions
Shropshire Council: Pay For It Service	<ul style="list-style-type: none"> The Shropshire Council 'Pay For It' service allows you to make a CIL payment online. The service is available at: www.shropshire.gov.uk/pay-for/ Please quote the reference number within the CIL Demand Notice when making the payment.
BACS Payment or Internet Transfer	<ul style="list-style-type: none"> BACS payments can be made online or through your bank. Alternatively, the Council's payment details are provided within each CIL Demand Notice. Please quote the reference number within the CIL Demand Notice when making the payment.
Cheque	<ul style="list-style-type: none"> Whilst we also accept payment by cheque, the time it takes for cheques to clear the bank, means that there is a <i>greater risk</i> that the payment may incur the late payment surcharges. If you decide to make a payment by cheque, please make it payable to Shropshire Council and include the reference number within the CIL Demand Notice on its rear.

The preferred method of payment is using the Shropshire Council Pay For IT Service, available at: www.shropshire.gov.uk/pay-for/

Shropshire Council will issue a receipt for each payment received to the party(ies) making the payment. If you wish a copy of the receipt to be sent to another party, please let us know by emailing CIL@shropshire.gov.uk.

For information on other types of payment - 'Payment in Kind', please discuss this with your Planning Application Case Officer and/or a CIL Officer prior to submitting your Planning Application. The CIL team can be contacted on 07990 086034 or cil@shropshire.gov.uk

When do I pay?

CIL payment is due following the commencement of development. However you must notify the Council of an intention to commence **prior to** the commencement of development using **CIL Form 6: Commencement Notice**.

Once development has commenced:

- Provided **CIL Form 6: Commencement Notice** has been completed and returned to the Council **before development commences**, payments will be made in line with the Shropshire Instalment Policy.
- If **CIL Form 6: Commencement Notice** has not been completed and returned to the Council before development commences, payment of the total CIL liability must be made immediately, including a surcharge of 20% of the CIL levy, up to a maximum of £2,500.

The Shropshire Council Instalment Policy is available on the Shropshire Council website at: www.shropshire.gov.uk/CIL

This CIL Instalment Policy came into effect on: 1st July 2013. This CIL Instalment Policy is applied to all development on which CIL is liable, in accordance with Regulation 69b of the CIL Regulations (as amended).

Figure 5: Shropshire CIL Instalment Policy

Number of dwellings	Number of Instalments	Total Timescale for Instalments	Payment Periods and Amounts
0-1 (or new build)	2	270 days (9 months)	- 15% of the levy 60 days from commencement. - 85% of the levy 270 days from commencement.
2-5	3	365 days (1 year)	- 15% of the levy 60 days from commencement. - 20% of the levy 270 days from commencement. - 65% of the levy 365 days from commencement.
6-25	3	365 days (1 year)	- 15% of the levy 60 days from commencement. - 25% of the levy 270 days from commencement. - 60% of the levy 365 days from commencement.
26-50	3	548 days (18 months) (1 year and a half)	- 25% of the levy 60 days from commencement. - 25% of the levy 365 days from commencement. - 50% of the levy 548 days from commencement.
51-100	3	730 days (2 years)	- 10% of the levy 60 days from commencement. - 35% of the levy 365 days from commencement. - 55% of the levy 730 days from commencement.
101-200	4	1095 days (3 years)	- 10% of the levy 60 days from commencement. - 15% of the levy 365 days from commencement. - 25% of the levy 730 days from commencement. - 50% of the levy 1095 days from commencement.
201-300	5	1460 days (4 years)	- 10% of the levy 60 days from commencement. - 15% of the levy 365 days from commencement. - 25% of the levy 730 days from commencement. - 25% of the levy 1095 days from commencement. - 25% of the levy 1460 days from commencement.
301+	6	1825 days (5 years)	- 10% of the levy 60 days from commencement. - 10% of the levy 365 days from commencement. - 20% of the levy 730 days from commencement. - 20% of the levy 1095 days from commencement. - 20% of the levy 1460 days from commencement. - 20% of the levy 1825 days from commencement.

Please Note:

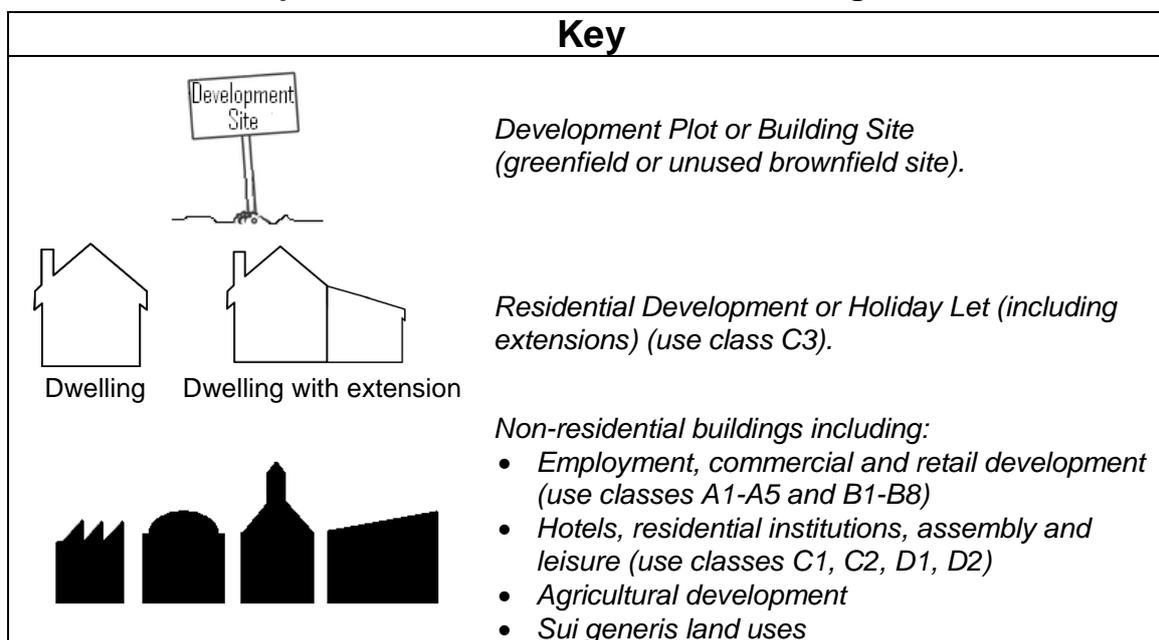
- In accordance with Regulations 70 and 83 of the CIL Regulations (as amended), if Shropshire Council fails to receive a valid **CIL Form 6: Commencement Notice** prior to the commencement of development, then the liable party(ies) lose the right to pay the CIL in accordance with the Shropshire Council Instalment Policy. Furthermore a surcharge of 20% of the total CIL amount due, up to a maximum of £2,500 will be applicable.
- Shropshire Council will issue a CIL Demand Notice on receipt of a valid **CIL Form 6: Commencement Notice**. This CIL Demand Notice will document the details of the CIL payments required for a development, including:
 - The amount of CIL payable in each instalment.
 - The percentage of the total CIL liability that each instalment represents.
 - The date for which each CIL instalment is payable.
 - The total amount of CIL payable.
- Regulation 70 Payment Periods of the CIL Regulations (2010) was superseded by Regulation 69b Instalment Policies, within the Amended CIL Regulations (2011).

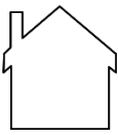
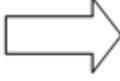
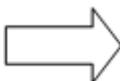
Where a Planning Permission permits development to be implemented in phases, and it is agreed that payment of CIL will reflect these phases, each phase is considered a separate chargeable development. Each chargeable development will require the submission of **CIL Form 6: Commencement Notice** and will receive a CIL Demand Notice, with instalments in accordance with this CIL Instalment Policy.

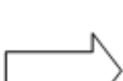
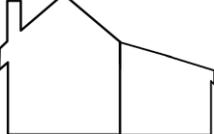
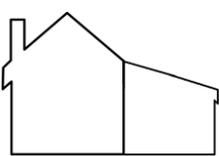
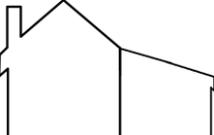
4. WHAT TYPE OF DEVELOPMENT IS LIABLE?

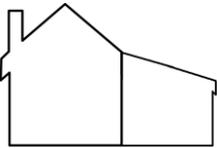
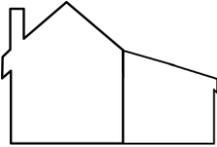
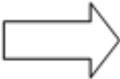
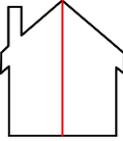
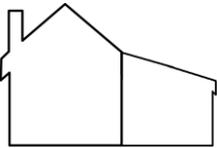
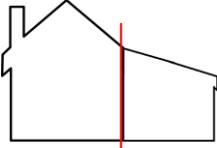
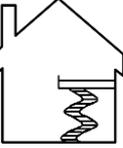
Figure 6 shows example scenarios for types of development with explanations of whether they are or are not CIL liable:

Figure 6: What development is and is not liable and/or chargeable?



Existing Use	To	Proposed Use	Potential Liability
 Development site		 Dwelling or holiday let	<ul style="list-style-type: none"> • CIL charged for the entire new floorspace. • Charge is based on total floorspace (no minimum). <p style="text-align: right;">✔ Liable & Chargeable</p>
 Development site		 Affordable dwelling	<ul style="list-style-type: none"> • Affordable housing is not CIL liable or chargeable. • This is irrespective of size. <p style="text-align: right;">✘ Not Liable</p>
 Development site		 Non-residential development	<ul style="list-style-type: none"> • Non-residential development is not CIL liable or chargeable. • This is irrespective of size. <p style="text-align: right;">✘ Not Liable</p>
 Non-residential development (in lawful use)		 Dwelling or holiday let	<ul style="list-style-type: none"> • CIL liable and chargeable for any additional floorspace (no minimum). • For example, if the existing non-residential building is 80sqm and in use, then only additional floorspace above 80sqm is chargeable. <p style="text-align: right;">✔ Liable & Potentially Chargeable</p>

 <p>Non-residential development <i>(not in lawful use)</i></p>		 <p>Dwelling or holiday let</p>	<ul style="list-style-type: none"> • CIL liable and chargeable for the entire floorspace of the dwelling, as the existing building is not in use. • Charge is based on total floorspace (no minimum). 	 Liable & Chargeable
 <p>Non-residential development</p>		 <p>Affordable dwelling</p>	<ul style="list-style-type: none"> • Affordable housing is not CIL liable or chargeable. • This is irrespective of size. 	 Not Liable
 <p>Non-residential development</p>		 <p>Any sized extension or change to different: non-residential development</p>	<ul style="list-style-type: none"> • Non-residential development is not CIL liable or chargeable. • This is irrespective of size. 	 Not Liable
 <p>Dwelling</p>		 <p>+80sqm extension to: dwelling</p>	<ul style="list-style-type: none"> • CIL is only chargeable for extensions over 100sqm (not counting the original dwelling). • Therefore, any extension of less than 100sqm is not chargeable. • Not chargeable as extension is less than 100sqm. 	 Not Liable
 <p>Dwelling</p>		 <p>+120sqm extension to: dwelling</p>	<ul style="list-style-type: none"> • CIL is charged for the entire new floorspace where an extension is greater than 100sqm (not counting the original dwelling). • Chargeable as extension is greater than 100sqm (120sqm of chargeable floorspace). 	 Liable & Chargeable
 <p>Dwelling</p>		 <p>+130sqm extension - 80sqm demolition to: dwelling</p>	<ul style="list-style-type: none"> • CIL liability is calculated prior to making any deductions for existing floorspace that is to be converted or demolished. • However CIL is chargeable for extensions after deducting existing 'in use' floorspace to be converted or demolished. • Therefore, if a scheme involves the creation of 130sqm and demolition of 80sqm, it is liable, but only chargeable for 50sqm - as the proposed extension is greater than 100sqm before deductions, but 80sqm of proposed floorspace is offset by deductions. • Charge is based on total floorspace prior to deductions (minimum of 100sqm). 	 Liable & Potentially Chargeable

 <p>or</p>  <p>Dwelling</p>		 <p>or</p>  <p>Holiday let property</p>	<ul style="list-style-type: none"> • The change of use of a dwelling to a holiday let, or a holiday let to a dwelling is not CIL chargeable. • If proposals also involve extension(s), CIL is only chargeable for extensions over 100sqm, calculated prior to deducting any existing 'in use' floorspace to be converted or demolished. • If any existing buildings/ floorspace is currently in use and to be demolished / converted it can be deducted from the chargeable floorspace of the new building (not counting the original dwelling/holiday let). 	<p style="text-align: center;">×</p> <p style="text-align: center;">Not Liable</p>
 <p>Dwelling</p>		 <p>Sub-division of: dwelling</p>	<ul style="list-style-type: none"> • The sub-division of a dwelling is not CIL liable. • If proposals also involve extension(s), CIL is only chargeable for the floorspace of these extensions. • If any existing buildings/ floorspace is currently in use and to be demolished / converted it can be deducted from the chargeable floorspace of the new building (not counting the original dwelling/holiday let). 	<p style="text-align: center;">×</p> <p style="text-align: center;">Not Liable</p>
 <p>Dwelling</p>		 <p>Sub-division of: dwelling from outbuildings</p>	<ul style="list-style-type: none"> • The sub-division of a dwelling and its outbuildings is CIL chargeable. However, if the lawful use of existing buildings is the same as the proposed use (no change of use occurs) it can be deducted from the total floorspace of the new dwelling. • If proposals also involve extension(s), CIL is chargeable for all extensions. • If any existing buildings/floorspace is currently in use and to be demolished it can be deducted from the total floorspace of the new dwelling. 	<p style="text-align: center;">✓</p> <p style="text-align: center;">Liable & Potentially Chargeable</p>
 <p>Dwelling</p>		 <p>Mezzanine floor within a dwelling.</p>	<ul style="list-style-type: none"> • Any floorspace that is created by a mezzanine floor within an existing building is not CIL chargeable. 	<p style="text-align: center;">×</p> <p style="text-align: center;">Not Liable</p>

5. CIL ENFORCEMENT

The CIL Regulations introduce enforcement processes that can be used if liable party(ies) fail to comply with the CIL procedures. These processes include financial surcharges and legal action. The Council will impose surcharges or take legal action if required to do so.

What are the CIL surcharges?

The main surcharges that the Council can impose if a liable party(ies) fail to comply with the requirements of CIL are described in Figure 7.

Figure 7: CIL surcharges

Surcharge		Detailed Information
Surcharge for failing to assume liability before commencement		Failure to assume liability before the commencement of development may result in Shropshire Council imposing a surcharge of £50 per landowner subsequently discovered. This surcharge ensures that the costs of establishing the identities of landowners are borne by the liable party(ies). In addition, failing to assume liability before the commencement of development means that the liable party(ies) will no longer be able to pay CIL in instalments.
Surcharge for apportionment of liability		Where Shropshire Council is required to apportion the CIL liability between landowners, it may impose a surcharge of £500 per landowner. This is to ensure the costs of this apportionment are borne by the owners in question.
Surcharge for failing to complete a Notice of Chargeable Development		Failure to submit a <i>CIL Form 5: Notice of Chargeable Development</i> (for development that does not require planning permission), or late submission of the form following the commencement of work will result in a surcharge of 20% of the CIL levy, up to a maximum of £2,500.
Surcharge where a disqualifying event occurs		Where a party(ies) is required to notify Shropshire Council of a disqualifying event, and they fail to do so before the end of the period of 14 days beginning with the day on which the disqualifying event occurs, Shropshire Council will impose a surcharge of 20% of the CIL amount due, up to a maximum of £2,500. Where the disqualifying event occurs before commencement, the surcharge is payable upon commencement. In all other cases the surcharge is payable on the day that it is imposed.
Surcharge where a valid Commencement Notice is not submitted before development commences		Failure to submit a valid Commencement Notice <i>before</i> development commences will result in the Shropshire Council imposing a surcharge of 20% of the CIL amount due, up to a maximum of £2,500.
Late or non-payment	Late payment interest	Failure to pay CIL on time will result in the imposition of late payment interest by Shropshire Council at 2.5 percentage points above the Bank of England base rate.
	Late payment surcharge	Continued failure to pay CIL will result in the CIL Collecting Authority imposing one or more late payment surcharge. Such surcharges will be imposed in the following manner: <ul style="list-style-type: none"> • Five per cent of the outstanding amount where payment is still overdue after 30 days, subject to a £200 minimum • Five per cent of the outstanding amount where payment is still overdue after six months, subject to a £200 minimum • Five per cent of the outstanding amount where payment is still overdue after 12 months, subject to a £200 minimum.
Surcharge for failing to comply with an Information Notice		Failure to comply with the any requirement of an Information Notice within 14 days of the notice being served may result in a Shropshire Council imposing a surcharge. This would be of 20% of the CIL amount due, up to a maximum of £2,500

Further information on any of these surcharges, or other potential CIL surcharges is available within the National CIL Regulations (as amended).

What forms of legal action can be carried out?

In certain circumstances, Shropshire Council may believe that interest and late payment surcharges will be ineffective in securing payment of any overdue CIL.

In these circumstances, there are a number of forms of legal action that can be taken against a liable party(ies) if they fail to comply with the requirements of CIL. The main forms of legal action are described in Figure 8.

Figure 8: CIL legal action

Surcharge		Detailed Information
CIL Stop Notice		<p>A CIL Stop Notice prohibits development from continuing until payment is made. Continuing to develop in the presence of such a notice is a criminal offence, punishable by potentially unlimited fines.</p> <p>Before serving a CIL Stop Notice, Shropshire Council will first issue a CIL Warning Notice to:</p> <ul style="list-style-type: none"> • The CIL liable person; • Any landowners; • Any occupiers; and • All those who the Council deem will be affected by the notice. <p>Shropshire Council will also post a copy of the CIL Warning Notice on the site itself.</p> <p>This warning will state that continued non-payment may result in a CIL Stop Notice being issued. It will also set out the amount overdue and the number of days after which a CIL Stop Notice may be served if payment continues not to be made.</p> <p>If payment is not made by the end of this period, Shropshire Council will serve a CIL Stop Notice which will prohibit development with immediate effect, until payment of the outstanding amount is made.</p>
Legal Action	Obtain a Liability Order	<p>A liability order/civil debt recovery gives Shropshire Council the authority to take action in order to collect outstanding CIL. Shropshire Council can apply to the Magistrates' Court for a Liability Order against the person by whom the outstanding amount is payable.</p> <p>An application is made by making a complaint to a justice of the peace, and requests the issue of a summons directed to that person(s) to appear before the court to show why the person(s) has not paid the outstanding amount.</p>
	Civil Debt Recovery	<p>The Court must make the Liability Order if it is satisfied that the amount has become payable by the defendant and has not been paid.</p> <p>This order will cover the outstanding amount of CIL liability and the costs reasonably incurred by the Council in obtaining the order.</p>
	Enforcing a Local Land Charge	<p>The Council can seek to enforce a local land charge where the outstanding amount exceeds £2,000.</p> <p>Prior to commencing this process, the debtor and anyone who may be prejudiced by the enforcement must be given written notice of the Council's intended actions.</p> <p>If the Council does not receive payment within 21 days of the date of the notification, it will apply to a court for consent to enforce the local land charge. In deciding whether to grant consent to enforce the Local Land Charge or make a Charging Order the court must consider all the circumstances of the case, and in particular any evidence before it as to whether any person would be likely to be unduly prejudiced by enforcement of the charge.</p>
Further Legal Action	Distraint on goods (asset seizure)	<p>If failure to pay CIL continues, Shropshire Council may seek a court's consent to seize and sell your assets to recover the money due. These assets may include any land you hold. Shropshire Council must send you notice of its intention to do so beforehand.</p>

	Committal to prison	If you continue to evade paying CIL, Shropshire Council can ask a magistrates' court to commit you to prison for no more than three months. To do this, the Collecting Authority must be able to demonstrate to the court that it has been unable to recover the CIL amount due by seizing and selling your assets and land.
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For further information, please refer to the National CIL Regulations (as amended) and the National Planning Portal at:

www.planningportal.gov.uk/planning/applications/howtoapply/whattosubmit/cil

What should I do if I am unsure?

If you have any queries about CIL, we would always recommend that you contact a member of the CIL team to discuss it. The CIL team can be contacted on:

Email: CIL@shropshire.gov.uk

Phone no: 07990 086 034.

Guidance on CIL is available within this document and on the Council website at:

www.shropshire.gov.uk/CIL.

The CIL Regulations are available to view on the Governments legislation website at:

www.legislation.gov.uk/

6. CIL RELIEF AND EXEMPTION

Depending on the circumstances, the following forms of relief may be available:

- Charitable relief (mandatory and discretionary);
- Self build exemption (for a whole house);
- Self build exemption (for a residential annexe); or
- Self build exemption (for a residential extension).

Please Note:

- *As affordable housing is not liable for CIL in Shropshire, affordable housing relief is not applicable.*
- *Exceptional Circumstances Relief is not available in Shropshire.*

Any claim for relief must be **submitted** and **approved prior to** the **commencement of development**.

Claims for charitable relief (mandatory or discretionary) should be submitted on **CIL Form 10: Charitable and/or Social Housing Relief**

Claims for a self-build exemption (relating to a whole house) should be submitted on **CIL Form 7: Self Build Exemption (Part 1)** and followed by further supporting information, within six months of the completion of development, on **CIL Form 7: Self Build Exemption (Part 2)**.

Claims for a self-build exemption (relating to a residential annex) should be submitted on **CIL Form 8: Self Build Residential Annexe Exemption**.

Claims for a self-build exemption (relating to a residential extension) should be submitted on **CIL Form 9: Self Build Residential Extension Exemption**.

Shropshire Council will determine whether or not the exemption or relief is appropriate and would be compliant with European rules about state aid. The Council will issue a decision as soon as practicable.

For further information on any of these forms of relief, please refer to the National CIL Regulations (as amended) and the National Planning Portal at:

www.planningportal.gov.uk/planning/applications/howtoapply/whattosubmit/cil