

North Somerset Council Community Infrastructure Levy (CIL)

Examples of how CIL liabilities are calculated

Purpose of document

This document contains simplified examples of how CIL liabilities are calculated and should cover most scenarios that will occur within North Somerset Council.

Basis of CIL calculations

All CIL calculations are based on the net increase in the Gross Internal Area (GIA) of the development, as set out in Regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended).

Indexation

CIL liabilities are index linked from 2018 (the year in which North Somerset Council's charging schedule took effect) to the year in which planning permission is granted.

Please note that the examples in this document do not include indexation.

Definition of 'in-use'

The definition of in use is contained in Regulation 40(11) of the Community Infrastructure Levy Regulations 2010 (as amended).

This states that an 'in-use building' is a building which *'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'*.

Scenario 1

The creation of a new residential dwelling either detached or attached to an existing dwelling. The new dwelling is 90m² and in Outer Weston (Zone B) on a site not designated as a Strategic Development Area.

Although the development is less than 100m², it results in the creation of a new dwelling and therefore CIL applies.

The CIL charge for residential development in Outer Weston (Zone B) on a site not designated as a Strategic Development Area is £40m²

The calculation is as follows:

90m² x £40 per m² = **CIL Liability of £3,600**

Scenario 2

The development of an extension to an existing dwelling. The existing dwelling is 105m² and the extension is 45m².

The size of the existing dwelling is irrelevant in this case. The only matter of relevance is the size of the extension. As the extension is for less than 100m² of development and does not result in the creation of a new dwelling, CIL does not apply.

Scenario 3

The conversion of an existing dwelling into two flats. The existing dwelling is 105m² and the conversion will not result in any new build floor space.

The size of the existing dwelling is irrelevant in this case. As the conversion does not result in any new development (i.e. it all takes place within the existing dwelling), CIL does not apply.

Scenario 4

The conversion and extension of an existing dwelling in Yatton on a site not designated as a Strategic Development Area to form 2 flats. The existing dwelling is 105m² and the extension is 45m².

The size of the existing dwelling that is being converted is irrelevant in this case. What is relevant is the level of new build. Although it is only 45m², it results in a new dwelling and therefore CIL applies.

The CIL charge for a residential development in Yatton (Zone C) on a site not designated as a Strategic Development Area is £80 per m².

The calculation is as follows:

$$45\text{m}^2 \times £80 \text{ per m}^2 = \text{CIL Liability of } \mathbf{£3,600}$$

Scenario 5

The demolition of an existing in-use dwelling in lawful use in Outer Weston on a site not designated as a Strategic Development Area and the construction of a block of flats in its place. The existing dwelling is 120m² and the extension is 1,000m².

The development of the block of flats results in the creation of new dwellings therefore CIL applies. However, because the existing dwelling is in lawful use, its floor space is deducted when calculating the CIL liability.

The CIL charge for residential development in Outer Weston (Zone B) on a site not designated as a Strategic Development Area is £40m².

The calculation is as follows:

- Deduct existing floor space from new floor space
The chargeable area is $1,000\text{m}^2 - 120\text{m}^2 = 880\text{m}^2$
- Calculate CIL liability based on the net increase in floor space
 $880 \text{ m}^2 \times £40 \text{ per m}^2 = \text{CIL Liability of } \mathbf{£35,200}$

Scenario 6

The demolition of an existing dwelling not in lawful use in Outer Weston on a site not designated as a Strategic Development Area and the construction of a block of flats in its place. The existing dwelling is 120m² and the extension is 1,000m².

The development of the block of flats results in the creation of a new dwelling therefore CIL applies. Because the existing dwelling is not in lawful use, its floor space is not deducted when calculating the CIL liability.

The CIL charge for residential development in Outer Weston (Zone B) on a site not designated as a Strategic Development Area is £40m².

The calculation is as follows:

$$1,000\text{m}^2 \times £40\text{m}^2 = \text{CIL Liability of } £40,000$$

Scenario 7

The demolition of a building of 5,000m² (1,000m² of which is in lawful use) and its replacement with a building of 10,000m², comprising 1,000m² of retail development, 5,000m² of office development and 4,000m² of hotel development.

The key issue here is that the existing building is in lawful use. Therefore, the total amount of existing floor space can be deducted from the CIL liability. As the new building comprises a range of uses, the deduction of the existing floor space is applied on a pro rata basis across the new uses.

The CIL charge for large scale retail development is £120m²

The CIL charge for office (commercial) development is £0m²

The CIL charge for hotel development (any other qualifying development) is £0m²

The calculation is as follows:

- Calculate the deduction factor of the existing floor space:
 $5,000\text{m}^2 \text{ (existing floor space)} / 10,000\text{m}^2 \text{ (new floor space)} = 0.5$
- Calculate the large scale retail liability:
 $1,000\text{m}^2 \times £120\text{m}^2 \times 0.5 = £120,000$
- Calculate the office development liability:
 $5,000\text{m}^2 \times £0\text{m}^2 \times 0.5 = £0$
- Calculate the hotel development liability:
 $4,000\text{m}^2 \times £0\text{m}^2 \times 0.5 = £0$
- Calculate the total liability:
Large scale retail (£1,200,000)+ office (£0)+ Hotel (£0) = **CIL Liability of £120,000**

Scenario 8

A charitable institution gains planning permission for a supported housing residential development of 1,315m² GIA and a small scale retail unit (which will be occupied by the charitable institution) of 75m² GIA on a cleared site in Yatton on a site not designated as a Strategic Development Area.

The residential CIL rate in Yatton (Zone C) on a site not designated as a Strategic Development Area is £80m² and the small scale retail CIL rate is £60m², therefore the total CIL liability is £109,800 (residential liability of £105,300 + small scale retail liability of £4,500).

Prior to the commencement of development, North Somerset Council receives a claim for charitable relief.

North Somerset Council grants mandatory charitable relief for the residential element because the tests in Regulation 43 are satisfied, but does not grant charitable relief for the retail element because that is classed as an investment activity and the Council is not offering discretionary charitable relief for investment activity.

Consequently the CIL Liability is reduced to £4,500 (i.e. the small scale retail liability).

Scenario 9

A residential development of 4,000m² Gross Internal Area (GIA) on a cleared site in Outer Weston on a site designated as a Strategic Development Area is granted planning permission.

The residential CIL rate in this zone (Zone B) is £20m², therefore CIL liability is £80,000.

Prior to the commencement of development, the Council receives a claim for £950m² of Social Housing Relief.

The calculation of the revised CIL liability is as follows:

- Deduct the GIA eligible for relief from the total GIA
The total GIA (4,000m²) – the GIA eligible for relief (950m²) = 3,050m²
- Recalculate the CIL liability
3,050m² x £20m² = **Revised CIL liability of £61,000**

Scenario 10

The conversion of the first floor of an existing property within Outer Weston on a site not designated as a Strategic Development Area into 2 residential flats. The ground floor of the property is an A1 small scale retail unit. The first floor is currently used as storage for the retail unit.

The size of the existing dwelling is irrelevant in this case provided that it is in lawful use.

As the conversion does not result in any new development (i.e. it all takes place within the existing building), CIL does not apply.

Scenario 11

The conversion of a 2,000m² vacant chapel in Outer Weston on a site not designated as a Strategic Development Area into a residential dwelling. The building is vacant and has not been in use for 5 years.

The building is no longer in Lawful Use, therefore the floor space is not deducted when calculating the CIL liability.

The residential CIL rate in this area is £40m², therefore the CIL liability is;

- 2,000m² x £40m² = **CIL liability of £80,000**

Note: This building is CIL eligible and would not fall under the provisions of Regulation 54A as amended by the Amendment Regulations 2014 Exemptions for self-build housing.

Self-build housing is classified as 'a building built by a person and occupied by that person as their sole residence'. The Chapel is a conversion of an existing building and so cannot be considered to be self-build.

Scenario 12

A 250m² retail unit within Clevedon town centre has been vacant and not in use for a period exceeding 3 years. An application has been submitted to convert the former retail unit into a public house. The application would not result in an extension or amendment to the Gross Internal Area (GIA).

The building is no longer in lawful use, therefore the floor space is not deducted when calculating the CIL liability. The CIL rate for Class A3 use of this size is £60m² therefore the CIL liability is;

- **250m² x £60m² = CIL liability of £150,000**