

Shepway District Council
Community Infrastructure Levy (CIL)
Draft Instalments Policy
(Draft: v2, April 2015)

Background

Regulation 69B of the CIL Regulations 2010 (as amended), gives a Local Authority discretion to introduce an instalments policy for the payment of CIL.

Where an instalment policy is not in place, Regulation 70 (7) of the CIL (Amendment) Regulations 2011, sets a default of full payment of due CIL payments within 60 days of the commencement of a liable development.

A CIL instalments policy differs from s106 payments in that it requires payment a certain number of days after commencement of a development, rather than linking payment to completion or occupation, of parts or all of a development.

The benefits of offering an instalments policy relate mainly to helping developer's cash flow on projects that are complex, or are of a scale so as to require a phasing of development. The disadvantages of the policy include an increase in the amount of time and resources that may need to be allocated to administering CIL by a Council and developers.

On balance and in tune with the CIL Regulations emphasis on ensuring CIL charges do not compromise development viability, and in accordance with Regulation 69B of the CIL Regulation, Shepway District Council proposes to introduce a CIL instalments policy as part of the CIL Charging scheme in the District, according to the scale of CIL liable developments.

Whilst comments on the draft instalments policy are welcomed, it should be noted that the draft instalment policy will not itself form part of the draft CIL Charging Schedule examination in public.

Draft Instalments Policy

The draft policy proposes that CIL will be payable by instalments on liable developments as stated by the adopted CIL Charging Schedule, as follows:-

Residential Developments

- 1) Where the chargeable amount is less than £50,000, full payment will be required within 60 days of the commencement date.
- 2) Where the chargeable amount is more than £50,000 but less than £100,000, two instalments will be allowed:
 - The first instalment representing 50% of the chargeable amount will be required within 60 days of the commencement date; and
 - The second instalment representing 50% of the chargeable amount will be required within 180 days of the commencement date.

- 3) Where the chargeable amount is over £100,000, an approach based on each phase of a development will be allowed requiring three instalments:

Therefore, for each phase of a development:

- The first instalment representing 25% of the chargeable amount will be required within 60 days of the commencement date;
- The second instalment representing 25% of the chargeable amount will be required within 180 days of the commencement date; and
- The third instalment representing 50% of the chargeable amount will be required within 360 days of the commencement date.

Large Scale Retail Developments outside of Folkestone Town Centre

Larger scale, retail developments outside of Folkestone Town Centre are the only other type of use proposed to pay CIL at the current time.

CIL will be payable by 2 instalments as follows, for all liable retail developments:

- The first instalment representing 50% of the chargeable amount will be required within 60 days of the commencement date; and
- The second instalment representing 50% of the chargeable amount will be required within 240 days of the commencement date.

Adoption and Review

The instalments policy will take effect at the same time as the commencement date of the Council's adopted CIL Charging Schedule.

In accordance with the CIL Regulations, the Council can vary the terms of an instalments policy if circumstances determine this to be appropriate, at any time as long as the previous instalments policy has been in effect for more than 28 days.