# Community Infrastructure Levy (CIL)

# **Guidance Note: Examples of how CIL liabilities are calculated**

## Purpose of document

This document contains simplified examples of how CIL liabilities are calculated and covers most scenarios that will occur within Canterbury.

## **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 [Schedule 1 of Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019.](https://www.legislation.gov.uk/ukdsi/2019/9780111187449/schedule/1)

## **Indexation**

CIL liabilities are index linked from the year in which the charging schedule took effect to the year in which planning permission is granted. The index used is the RICS CIL Index published in November of the preceding calendar year by the Royal Institution of Chartered Surveyors as set out in Schedule 1 of Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019. Please note that the examples do not include indexation.

## **Mandatory Relief for Charitable development and social housing**

Examples of how levels of mandatory relief will be calculated can be found in Guidance Note 2 - Social Housing Relief and Guidance Note 3 - Charitable Development Relief.

## **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”

## Charging Rates

Charging rates and the zones to which they apply are set out in the [CIL Charging Schedule February 2020](https://democracy.canterbury.gov.uk/documents/s106526/Appendix%20A%20-%20Charging%20Schedule%20Feb%202020.pdf).

## Scenario 1

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

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 2

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

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 3

**The development of a new dwelling in Zone A, either detached or attached to an existing dwelling. The new dwelling is 90m2 .**

Though 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 Zone A is £187 per m2.

The calculation is as follows: 90m2 x £187 per m2 = CIL liability of £16,830

## Scenario 4

**The conversion and extension of an existing dwelling in Zone B to form 2 flats. The existing dwelling is 105m2 and the extension is 45m2 .**

The size of the existing dwelling is irrelevant here. What is relevant is the level of new build. Although it is only 45m2 , because it results in a new dwelling, CIL applies.

The CIL charge for residential development in the Zone B £82 per m2

The calculation is as follows: 45m2 x £82 per m2 = CIL liability of £3,690

## Scenario 5

**The demolition of an existing in-use dwelling in lawful use (see note on Page 1) in Zone A and the construction of a block student accomodation in its place. The existing dwelling is 120m2 and the student accomodation is 1,000m2**

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

The CIL charge for student accommodation is £103 per m2

The calculation is as follows:

## Process 1 – calculate the deduction factor for the existing floor-space

120m2 (existing floor-space) / 1,000m2 (new floor space) = 0.12

## Process 2 – calculate the Student accommodation liability

Student accomodation- 1,000m2 x £103 per m2 = £103,000

Existing - 1,000m2 x £103 per m2 x 0.12 = £12,360 (to be deducted)

£103,000-£12,360= CIL liability of £90,640