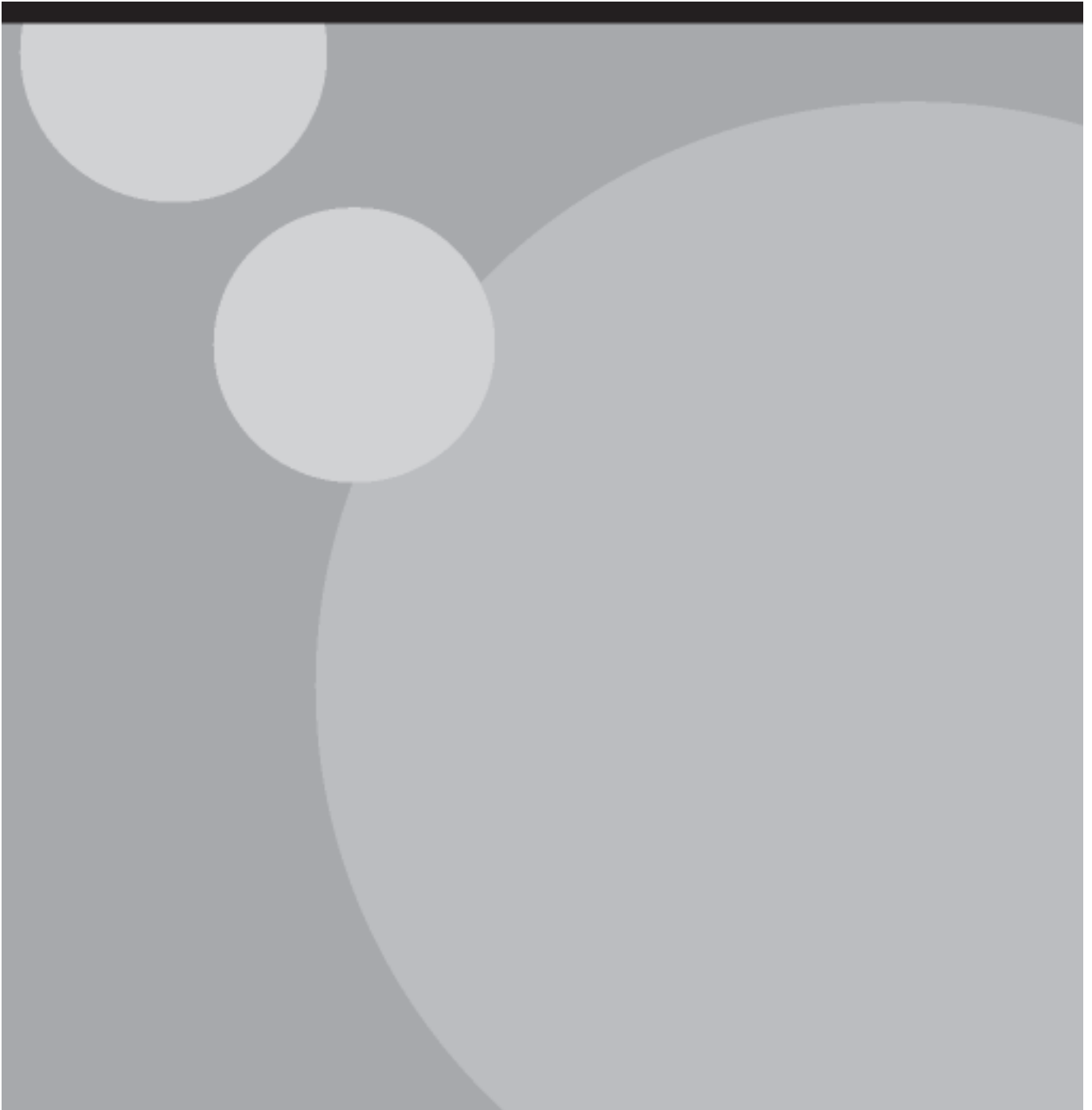


# Community Infrastructure Levy

## An overview



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# Introduction

1. This document provides an overview of the Community Infrastructure Levy, a new planning charge that will come into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. It explains the key features of the new charge, its rationale, purpose and how it will work in practice. The document is designed to inform all those who have an interest in the levy and who might be involved in its operation. The Government will also issue guidance on specific aspects of establishing and running a CIL regime.

## **What is the Community Infrastructure Levy?**

2. The Community Infrastructure Levy (CIL) is a new charge which local authorities in England and Wales will be empowered, but not required, to levy on most types of new development in their areas. The proceeds of the levy will provide new local and sub-regional infrastructure to support the development of an area in line with local authorities' development plans.

## **Who may charge CIL?**

3. The CIL charging authorities (charging authorities) in England will be district and metropolitan district councils, London borough councils, unitary authorities, national park authorities, The Broads Authority and the Mayor of London. In Wales, the county and county borough councils and the national park authorities will have the power to charge CIL. These bodies all prepare development plans for their areas, which are informed by assessments of the infrastructure needs for which CIL may be collected.

## **Why introduce CIL?**

4. The planning system has for a long time allowed local planning authorities to require developers to make payments to mitigate the impacts of new development, using a system known as planning obligations (or Section 106 agreements). However, the planning obligations system has been criticised for not being transparent, leading to concerns that on the one hand planning permission is being bought and sold, and on the other that developers are being held to ransom by local authorities. Planning obligations have also often struggled to contribute effectively to large infrastructure requirements, or infrastructure needs, which are caused incrementally through the cumulative impact of a number of developments. This can result in either the first or last developer in an area contributing disproportionately to the cost of the infrastructure required in that area, because their development was the 'tipping point' for the need for a piece of infrastructure, while others make a low contribution or no contribution at all.
5. Research commissioned by the Government shows that major development disproportionately bears these costs and that despite encouragement by the

Government, local authorities have not spread the burden more fairly and transparently including through the use of local ‘tariffs’. At present, only 6 per cent of planning permissions in England make any contributions under the planning obligations regime.<sup>1</sup>

6. The Housing Green Paper, published in July 2007, set out a number of options for developer contributions, intended to form the basis of discussion with the development industry. The Green Paper made it clear that in considering whether to proceed with the Government’s proposals for a Planning Gain Supplement (PGS), or an alternative, “the test of an effective approach to planning gain will be its ability to raise significant additional funds to support the infrastructure needed for development, in a fair and non-distortionary way, and in a way that preserves incentives to develop in a variety of circumstances”. As a consequence of engagement with the industry during summer 2007, the Chancellor was able to announce at the Pre-Budget Report in October 2007 that PGS would be deferred and that the Government would instead legislate for a new statutory planning charge. That charge is the Community Infrastructure Levy (CIL), for which the Government legislated in the Planning Act 2008.
7. CIL builds on many of the proposals that the Government has explored since 2003, not least on the standard charging approach which has formed the basis of most of these proposals. CIL will deliver a number of benefits. These include:
  - far greater legal certainty as to the basis for a charge in a manner that the existing system cannot easily achieve, enabling for example the mitigation of cumulative impacts
  - a broader (and therefore fairer) range of developments contributing; and
  - improvements in transparency; and greater certainty and predictability as to the level of contribution which will be required.

### **Why should development pay for infrastructure?**

8. Almost all development has some impact on the need for infrastructure, services and amenities - or benefits from it - so it is only fair that such development pays a share of the cost. It is also right that those who benefit financially when planning permission is given should share some of that gain with the community which granted it to help fund the infrastructure that is needed to make development acceptable and sustainable.

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<sup>1</sup>Valuing Planning Obligations in England: Update Study for 2005-06, University of Sheffield, 2008  
([www.communities.gov.uk/publications/planningandbuilding/obligationsupdatestudy](http://www.communities.gov.uk/publications/planningandbuilding/obligationsupdatestudy))

9. However, the Government also believes that developers should have more certainty as to what they will be expected to contribute, thus speeding up the development process, and that the money raised from developer contributions should be spent in a way that developers will feel worthwhile; namely, on infrastructure to support development and the creation of sustainable communities set out in the Local Development Framework. This is what CIL will do.

### **How much will CIL raise?**

10. The introduction of CIL has the potential to raise an estimated additional £700 million pounds a year of funding for local infrastructure by 2016 (the Impact Assessment on CIL published on 10 February 2010 sets out further details). CIL will make a significant contribution to infrastructure provision, but core public funding will continue to bear the main burden. CIL is intended to fill the funding gaps that remain once existing sources (to the extent that they are known) have been taken into account. Local authorities will be able to look across their full range of funding streams and decide how best to deliver their infrastructure priorities, including how to utilise CIL. This flexibility to mix funding sources at a local level will enable local authorities to be more efficient in delivering the outcomes that local communities want.

### **How will CIL be spent?**

11. Local authorities are required to spend CIL revenues on the infrastructure needed to support the development of their area and they will decide what infrastructure is needed. CIL is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development. CIL can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure.
12. Charging authorities will be able to use their CIL receipts to recover the costs of administering CIL, with the regulations permitting them to use up to a 5 per cent of their total CIL revenue on administrative expenses to ensure that the overwhelming majority of receipts are directed towards infrastructure provision. Where a collecting authority has been appointed to collect a charging authority's CIL, as will be the case in London where the boroughs will collect the Mayor's CIL, the collecting authority may keep up to 4 per cent of receipts to fund their administrative costs, with the remainder available to the charging authority up to the 5 per cent ceiling.

### **What is infrastructure?**

13. The Planning Act 2008 provides a wide definition of the infrastructure which can be funded by CIL, including transport, flood defences, schools, hospitals, and other health and social care facilities. This definition allows CIL to be

used to fund a very broad range of facilities such as play areas, parks and green spaces, cultural and sports facilities, district heating schemes and police stations and other community safety facilities. This gives local communities flexibility to choose what infrastructure they need to deliver their development plan.

14. The draft regulations rule out the application of CIL for providing affordable housing because the Government considers that planning obligations remain the best way of delivering affordable housing. Planning obligations enable affordable housing contributions to be tailored to the particular circumstances of the site and crucially, enable affordable housing to be delivered on-site in support of the Government's policy for mixed communities.
15. In London, the draft regulations restrict spending by the Mayor to funding roads or other transport facilities, including Crossrail to ensure a balance between the spending priorities of the boroughs and the Mayor.

### **Infrastructure spending outside a charging area**

16. Charging authorities may pass money to bodies outside their area to deliver infrastructure which will benefit the development of their area, such as the Environment Agency for flood defence or, in two tier areas, the county council, for education infrastructure.
17. If they wish, charging authorities will also be able to collaborate and pool their CIL revenues to support the delivery of 'sub-regional infrastructure', for example, a larger transport project where they are satisfied that this would support the development of their own area.

### **Timely delivery of infrastructure**

18. It is important that the infrastructure needed by local communities is delivered when the need arises. Therefore, the draft regulations allow authorities to use CIL to support the timely provision of infrastructure, for example, by using CIL to backfill early funding provided by a financier, such as the Homes and Community Agency.
19. The draft regulations also include provision to enable the Secretary of State to direct that authorities may 'prudentially' borrow against future CIL income, should the Government conclude that, subject to the overall fiscal position, there is scope for local authorities to use CIL revenues to repay loans used to support infrastructure.

### **Monitoring and reporting CIL spending**

20. To ensure that CIL is open and transparent, charging authorities must prepare short reports on CIL for the previous financial year which must be placed on

their websites by 31 December each year. They may prepare a bespoke report or utilise an existing reporting mechanism, such as the Annual Monitoring Report which reports on their local development plan.

21. These reports will ensure accountability and enable the local community to see what infrastructure is being funded from CIL. Charging authorities must report how much CIL revenue they received in the last financial year and how much revenue was unspent at the end of the financial year. They must also report total expenditure from CIL in the preceding financial year, with summary details of what infrastructure CIL funded and how much CIL was 'spent' on each item of infrastructure.

## Setting the CIL charge

### Charging schedules

22. Charging authorities should normally implement CIL on the basis of an up-to-date development plan or the London Plan for the Mayor's CIL. A charging authority may use a draft plan if they are planning a joint examination of their core strategy or LDP and their CIL charging schedule.
23. Charging authorities wishing to levy CIL must produce a charging schedule setting out the CIL rates in their area. Charging schedules will be a new type of document within the folder of documents making up the local authority's Local Development Framework in England, sitting alongside the LDP in Wales and the London Plan in the case of the Mayor's CIL. In each case, charging schedules will not be part of the statutory development plan.

### Deciding the rate of CIL

24. Charging authorities wishing to introduce a CIL should propose a rate which does not put at serious risk the overall development of their area. They will need to draw on the infrastructure planning that underpins the development strategy for their area. Charging authorities will use that evidence to strike an appropriate balance between the desirability of funding infrastructure from CIL and the potential effects of the imposition of CIL upon the economic viability of development across their area.
25. In setting their proposed CIL rates, charging authorities should identify the total infrastructure funding gap that a CIL is intended to support, having taken account of the other sources of available funding. They should use the infrastructure planning that underpinned their development plan to identify a selection of indicative infrastructure projects or types of infrastructure that are likely to be funded by CIL. If a charging authority considers that the infrastructure planning underpinning its development plan is weak, it may undertake some additional bespoke infrastructure planning to identify its infrastructure funding gap. In order to provide flexibility for charging

authorities to respond to changing local circumstances over time, charging authorities may spend their CIL revenues on different projects from those identified during the rate setting process.

### **Evidence of economic viability**

26. Charging authorities will need to strike an appropriate balance between the desirability of funding infrastructure from CIL and the potential effects of the imposition of CIL upon the economic viability of development across their area. Charging authorities should prepare evidence about the effect of CIL on economic viability in their area to demonstrate to an independent examiner that their proposed CIL rates strike an appropriate balance.
27. In practice, charging authorities may need to sample a limited number of sites in their areas and in England, they may want to build on work undertaken to inform their Strategic Housing Land Availability Assessments. Charging authorities that decide to set differential rates may need to undertake more fine-grained sampling to help them to estimate the boundaries for their differential rates.

### **Charge setting in London**

28. A London Borough setting a local CIL must take into account any CIL rates that have been set by the Mayor of London. Allowing both the Mayor and the boroughs to levy CIL will enable CIL to support the provision of both local and strategic infrastructure in London.

### **Differential rates**

29. Charging schedules may include differential rates of CIL, where they can be justified either on the basis of the economic viability of development in different parts of the authority's area or by reference to the economic viability of different types of development within their area. The ability to set differential rates gives charging authorities more flexibility to deal with the varying circumstances within their area, for example where an authority's land values vary between an urban and a rural area.

## **Procedure for setting the charge**

### **Preparing the charging schedule**

30. The process for preparing a charging schedule is similar to that which applies to development plans in England and LDPs in Wales in three key respects. Firstly, there is a requirement to consult and a public examination before an independent person (the CIL Examination). Secondly, the report of the

independent examiner will be binding on the charging authority. Thirdly, the charging authority is not under an obligation to adopt the final schedule but can, if it prefers, submit a revised charging schedule to a fresh examination. Charging authorities will be able to work together when preparing their CIL charging schedules.

### **Public consultation**

31. Charging authorities must consult local communities and stakeholders on their proposed CIL rates in an early draft of the charging schedule. Then, before being examined, a draft charging schedule must be formally published for representations for a period of at least four weeks. During this period any person may request to be heard by the examiner. If a charging authority makes any further changes to the draft charging schedule after it has been published for representations, any person may request to be heard by the examiner, but only on those changes, during a further four-week period.

### **The examination of the charging schedule**

32. A charging schedule must be examined in public by an independent person appointed by the charging authority. If any person has requested to be heard before the examiner at the CIL examination, hearings must be held in public. The format for CIL examination hearings will be similar to those for development plan documents and the independent examiner may determine the examination procedures and set time limits for those wishing to be heard to ensure that the examination is conducted in an efficient and effective manner.
33. Where a charging authority has chosen to work collaboratively with other charging authorities, they may opt for a joint examination of their charging schedule with those of the other charging authorities. In addition, a CIL examination of one or more charging schedules may be conducted as an integrated examination with a draft development plan.

### **Outcome of the CIL examination**

34. The independent examiner will be able to recommend that the draft charging schedule should be approved, rejected, or approved with specified modifications and must give reasons for those recommendations. A charging schedule may be approved subject to modifications if the charging authority has complied with the legislative requirements, but for example, the proposed CIL rate does not strike an appropriate balance given the evidence.
35. The independent examiner should reject a charging schedule if the charging authority has not complied with an aspect of the legislation (and this cannot be addressed by modifications), or if it is not based on appropriate available evidence. The examiner's recommendations will be binding on the charging

authority, which means that the charging authority must make any modifications recommended if they intend to adopt the charging schedule and cannot adopt a schedule if the examiner rejects it.

### **Procedure after the CIL examination**

36. To ensure democratic accountability, the charging schedule must be formally approved by a resolution of the full council of the charging authority. In London, the Mayor must make a formal decision to approve his or her CIL charging schedule.
37. In order to ensure that the correct CIL rate is charged, certain errors in the charging schedule may be corrected for a period of up to six months after the charging schedule has been approved. If the charging authority corrects errors it must republish the charging schedule.

### **Ceasing to charge CIL**

38. Charging authorities should keep their charging schedules under review (although there is no fixed end date). Charging authorities may formally resolve to cease charging CIL at any time through a resolution of the full council.

## **How will CIL be applied?**

### **What is CIL liable development?**

39. Most buildings that people normally use will be liable to pay CIL. But buildings into which people do not normally go, and buildings into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery, will not be liable to pay CIL. Structures which are not buildings, such as pylons and wind turbines, will not be liable to pay CIL. CIL will not be charged on changes of use which do not involve an increase in floorspace.

### **How will CIL be levied?**

40. CIL must be levied in pounds per square metre of the net additional increase in floorspace of any given development. This will ensure that charging CIL does not discourage the redevelopment of sites.
41. Any new build – that is a new building or an extension – is only liable for CIL if it has 100 square metres, or more, of gross internal floor space. Whilst any new build over this size will be subject to CIL, the gross floorspace of any existing buildings on the site that are going to be demolished will be deducted from the final CIL liability. To ensure CIL is cost effective to collect, any final net CIL charge less than £50 must not be pursued by the charging authority.

42. In calculating individual CIL charges, charging authorities will be required to apply an annually updated index of inflation to keep CIL responsive to market conditions. The index will be the national All-In Tender Price Index of construction costs published by the Building Cost Information Service of The Royal Institution of Chartered Surveyors.

### **How does CIL relate to planning permission?**

43. CIL will be charged on new builds permitted through some form of planning permission. Examples are planning permissions granted by a local planning authority or a consent granted by the Independent Planning Commission. However, some new builds rely on permitted development rights under the General Permitted Development Order 1995. There are also local planning orders that grant planning permission, for example Simplified Planning Zones and Local Development Orders. Finally, some Acts of Parliament grant planning permission for new builds: the Crossrail Act 2008 is one such Act. CIL will apply to all these types of planning consent.

44. The planning permission identifies the buildings that will be liable for a CIL charge: the 'chargeable development'. The planning permission also defines the land on which the chargeable buildings will stand, the 'relevant land'. Buildings that are to be demolished, whose gross internal floorspace can be deducted from the CIL liability, will be situated on the relevant land.

### **Who collects CIL?**

45. Collection of CIL will be carried out by the 'CIL collecting authority'. In most cases this will be the charging authority but, in London, the boroughs will collect CIL on behalf of the Mayor. County councils will collect CIL levied by districts on developments for which the county gives consent. The Homes and Communities Agency, Urban Development Corporations and Enterprise Zone Authorities can also be collecting authorities for development where they grant permission, if the relevant charging authority agrees.

### **How is CIL collected?**

46. CIL charges will become due from the date that a chargeable development is commenced in accordance with the terms of the relevant planning permission. The definition of commencement of development for CIL purposes is the same as that used in planning legislation, unless planning permission has been granted after commencement.

47. When planning permission is granted, the collecting authority will issue a liability notice setting out the amount of CIL that will be due for payment when the development is commenced, the payment procedure and the possible consequences of not following this procedure. The payment procedure

encourages someone to assume liability to pay CIL before development commences. Where liability has been assumed, and the Collecting Authority has been notified of commencement, parties liable to pay CIL will benefit from a 60 day window in which they can make payment.

48. Where the CIL charge is over £10,000, the liable parties will be able to pay CIL within a series of instalment periods from the commencement date. The number of instalments will vary, depending on the size of the amount due. If the payment procedure is not followed, payment will become due in full.

### **Who is liable to pay CIL?**

49. The responsibility to pay CIL runs with the ownership of land on which the CIL liable development will be situated. This is in keeping with the principle that those who benefit financially when planning permission is given should share some of that gain with the community. That benefit is transferred when the land is sold with planning permission, which also runs with the land. The draft regulations define landowner as a person who owns a 'material interest' in the relevant land. 'Material interests' are owners of freeholds and leaseholds that run for more than seven years after the day on which the planning permission first permits development.
50. Although ultimate liability rests with the landowner, the regulations recognise that others involved in a development may wish to pay. To allow this, anyone can come forward and assume CIL liability for the development. In order to benefit from payment windows and instalments, someone must assume liability in this way. Where no one has assumed liability to pay CIL, the liability will automatically default to the landowners of the relevant land and payment becomes due immediately upon commencement of development. Liability to pay CIL can also default to the landowners where the collecting authority, despite making all reasonable efforts, has been unable to recover CIL from the party that assumed liability for CIL.

### **Charity and Social Housing Relief**

51. The draft regulations give relief from CIL in two specific instances. First, a charity landowner will benefit from full relief from their portion of the CIL liability where the chargeable development will be used wholly, or mainly, for charitable purposes. A charging authority can also choose to offer discretionary relief to a charity landowner where the greater part of the chargeable development will be held as an investment, from which the profits are applied for charitable purposes. The charging authority must publish its policy for giving relief in such circumstances. Secondly, the draft regulations provide 100% relief from CIL on those parts of a chargeable development which are intended to be used as social housing.
52. To ensure that reliefs from CIL are not used to avoid proper liability for CIL, the draft regulations require that any relief must be repaid, a process known

as 'clawback', if the development no longer qualifies for the relief granted within a period of seven years from commencement of the chargeable development.

### **Exceptional circumstances**

53. Given the importance of ensuring that CIL does not prevent otherwise desirable development, the draft regulations provide that charging authorities have the option to offer a process for giving CIL relief in exceptional circumstances where a specific scheme cannot afford to pay CIL. A charging authority wishing to offer exceptional circumstances relief in its area must first give notice publicly of its intention to do so. A charging authority can then consider claims for relief on chargeable developments from landowners on a case by case basis, provided the following conditions are met. Firstly, a section 106 agreement must exist on the planning permission permitting the chargeable development. Secondly, the charging authority must consider that the cost of complying with the section 106 agreement is greater than the CIL charge and that paying the charge would have an unacceptable impact on the development's economic viability. Finally, relief must not constitute a notifiable State aid.

### **In-kind payments**

54. There may be circumstances where it will be more desirable for a charging authority to receive land instead of monies to satisfy a CIL liability, for example where the most suitable land for infrastructure is within the ownership of the party liable for CIL. Therefore, the draft regulations provide for charging authorities to accept transfers of land as a payment 'in kind' for the whole or a part of a CIL charge, but only if this is done with the intention of using the land to provide, or facilitate the provision of, infrastructure to support the development of the charging authority's area.
55. To ensure that 'in-kind' payments are used appropriately, such payments may only be accepted where the amount of CIL payable is over £50,000 and where an agreement to make the in-kind payment has been entered into before commencement of development. Land that is to be paid 'in kind' may contain existing buildings and structures and must be valued by an independent valuer who will ascertain its 'open market value', which will determine how much CIL liability the 'in-kind' payment will off-set. Payments in kind must be provided to the same timescales as cash CIL payments.

### **How will CIL payment be enforced?**

56. The vast majority of CIL liable parties are likely to pay their CIL liabilities without problem or delay, guided by the information sent by the collecting authority in the liability notice. In contrast to negotiated planning obligations which can cause delay, confusion, and litigation over liability, CIL charges are

intended to be easily understood and easy to comply with. However, where there are problems in collecting CIL, it is important that collecting authorities have the means to penalise late payment and deter future non-compliance. To ensure payment, the draft regulations provide for a range of proportionate enforcement measures, such as surcharges on late payments.

57. In most cases, these measures should be sufficient. However, in cases of persistent non-compliance, the draft regulations also enable collecting authorities to take more direct action to recover the amount due. One such measure is the CIL stop notice, which prohibits development from continuing until payment is made. Another is the ability to seek a court's consent to seize and sell assets of the liable party. In the very small number of cases where a collecting authority can demonstrate that recovery measures have been unsuccessful, a court may be asked to commit the liable party to a short prison sentence.
58. The payment and enforcement provisions of the draft regulations add substantial protection for both charging authorities and liable parties compared with the existing system of planning obligations, particularly for small businesses which may not have easy access to legal advice. This is an important benefit of the new legislation which has not been available before.

## The relationship between CIL and planning obligations

59. CIL is intended to provide infrastructure to support the development of an area rather than to make individual planning applications acceptable in planning terms. As a result, there may still be some site specific impact mitigation requirements without which a development should not be granted planning permission. Some of these needs may be provided for through CIL but others may not, particularly if they are very local in their impact. Therefore, the Government considers there is still a legitimate role for development specific planning obligations to enable a local planning authority to be confident that the specific consequences of development can be mitigated.
60. However, in order to ensure that planning obligations and CIL can operate in a complementary way and clarify the purposes of the two instruments the draft CIL regulations scale back the way planning obligations operate.. Limitations will be placed on the use of planning obligations in three respects:
- I. Putting the Government's policy tests on the use of planning obligations set out in Circular 5/05 on a statutory basis for developments which are capable of being charged CIL
  - II. Ensuring the local use of CIL and planning obligations does not overlap; and

- III. Limiting pooled contributions from planning obligations towards infrastructure which may be funded by CIL.

### **Making the Circular 5/05 tests statutory for CIL development**

61. The draft regulations place into law for the first time the Government's policy tests on the use of planning obligations. The statutory tests are intended to clarify the purpose of planning obligations in light of CIL and provide a stronger basis to dispute planning obligations policies, or practice, that breach these criteria. This seeks to reinforce the purpose of planning obligations in seeking only essential contributions to allow the granting of planning permission, rather than more general contributions which are better suited to use of CIL.
62. From 6 April 2010 it will be unlawful for a planning obligation to be taken into account when determining a planning application for a development, or any part of a development, that is capable of being charged CIL, whether there is a local CIL in operation or not, if the obligation does not meet all of the following tests:
- (a) necessary to make the development acceptable in planning terms
  - (b) directly related to the development; and
  - (c) fairly and reasonably related in scale and kind to the development.
63. For all other developments (i.e. those not capable of being charged CIL), the policy in Circular 5/05 will continue to apply.

### **Ensuring the local use of CIL and planning obligations does not overlap**

64. On the local adoption of CIL, the draft regulations restrict the local use of planning obligations to ensure that individual developments are not charged for the same items through both planning obligations and CIL. Where a charging authority sets out that it intends to fund an item of infrastructure via CIL then that authority cannot seek a planning obligation contribution towards the same item of infrastructure.
65. A charging authority should set out its intentions for how CIL monies will be spent on the authority's website. If a charging authority does not set out its intentions for use of CIL monies then this would be taken to mean that the authority was intending to use CIL monies for any type of CIL infrastructure, and consequently that authority could not seek a planning obligation contribution towards any such infrastructure.

### **Limiting Pooled s106 contributions for CIL infrastructure**

66. On the local adoption of CIL or nationally after a transitional period of four years (6 April 2014), the draft regulations restrict the local use of planning

obligations for pooled contributions towards items that may be funded via CIL. CIL is the government's preferred vehicle for the collection of pooled contributions.

67. However, where an item of infrastructure is not locally intended to be funded by CIL, pooled planning obligation contributions may be sought from no more than five developments to maintain the flexibility of planning obligations to mitigate the cumulative impacts of a small number of developments.
68. For provision that is not capable of being funded by CIL, such as affordable housing or maintenance payments, local planning authorities are not restricted in terms of the numbers of obligations that may be pooled, but they must have regard to the wider policies set out in Circular 5/05.
69. Crossrail will bring benefits to communities across London and beyond and its funding will be met by a range of sources, including contributions from CIL and planning obligations. To effectively maintain the ability of planning obligations to raise revenue for Crossrail, this restriction will not apply to planning obligations that relate to or are connected with the funding of Crossrail.

## Next steps

70. The Government has announced that it will consult on a new policy for planning obligations to reflect the introduction of CIL and related reform to the use of planning obligations, as well as to deliver the Government's Planning White Paper (2006) commitment to streamline planning policy. This policy will replace Circular 5/05 and will form an Annex to the new Development Management Planning Policy Statement on which the Government launched a consultation in December 2009.
71. The Government will also produce new guidance and support for local authorities concerning the setting and operation of CIL, including effective use of planning obligations alongside CIL.