

CONSULTATION ON THE REFORM OF CIL

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CONSULTATION ON REFORM OF THE COMMUNITY INFRASTRUCTURE LEVY (CIL)

The Department for Communities and Local Government (DCLG) is currently consulting on proposals to reform the Community Infrastructure Levy (CIL). Draft Regulations to accompany the consultation have also been published.

It is proposed to amend the Community Infrastructure Levy Regulations 2010 (SI 2010/948) (CIL Regulations 2010) which came into force on 6 April 2010 and currently provide for a discretionary new charge (CIL) on certain developments.

The consultation is currently seeking views on proposals to:-

1. **Implement neighbourhood funds**

Clause 103 of the Localism Bill 2010-11 allows Ministers to lay regulations to place a duty on charging authorities to pass a proportion of CIL to other persons. The draft regulations would require charging authorities to allocate a “meaningful proportion” of CIL to the local elected Council for the area where the development and growth occur.

2. **Allow CIL receipts to be used to provide affordable housing**

The CIL Regulations 2010 provide that CIL may not be spent on affordable housing. However, the Coalition Government is considering whether allowing receipts to be used would enable a more efficient provision of affordable housing.

3. **Provide transitional provisions to allow fair operation of CIL in the Mayoral Development Corporation (MDC) areas**

The Localism Bill 2010-11 includes a general power for the designation of MDC areas to drive regeneration. An MDC is able to take on full planning powers for its area including the ability to impose CIL. This ability to set a levy requires changes to regulations to ensure that an MDC can operate effectively and that London Boroughs are not unfairly disadvantaged in areas where they are losing powers.

4. Require charging authorities to report more openly and regularly on receipts and expenditure to improve transparency and understanding of the contribution that developers are making and how these funds are used.

5. **New Development Orders to the list of developments that may be liable to a charge**

The Localism Bill 2010-11 introduces new provisions to allow for planning permission to be granted through Neighbourhood Development Orders (including Community Rights to Build Orders). Regulation 4 of the draft regulations will allow CIL to be charged on development commenced under these new Development Orders.

The consultation period closes on 30 December 2011 and any representations will need to be made to the DCLG by that date.



A copy of the proposals and draft regulations are available from the DCLG website – [Department for Communities and Local Government](#). Alternatively, a copy can be provided by contacting Paul Leach.

To discuss this matter in more detail please contact Paul Leach either by telephone on 01306 502313 or by email: p.leach@downslaw.co.uk

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