



rhondda cynon taf

community infrastructure levy

ardoll seilwaith cymunedol

Guidance Note 3: Charitable Development Relief

Background

Certain types of charitable development are entitled to an exemption from CIL. This note identifies those types of development and provides information regarding the process for claiming charitable relief, and shows examples of how it is calculated.

Definition of Charitable Development entitled to mandatory relief

Regulation 43 of the Community Infrastructure Levy Regulations 2010 (CILR 2010) sets out the conditions that must be met for a charitable development to be entitled to mandatory relief from CIL. These are as follows:

1. The owner must be a charitable institution (i.e. a charity, or a trust of which all the beneficiaries are charities, or a unit trust scheme in which all the unit holders are charities), and
2. The chargeable development must be used wholly or mainly for charitable purposes and it must be occupied by or under the control of a charitable institution

Relief under Regulation 43 does not apply where:

1. Part of the exempted development would not be occupied or under the control of a charitable institution, or
2. The material interest is owned jointly, with one or more owners not being a charitable institution, or
3. The granting of mandatory relief would constitute state aid.

Discretionary Charitable Relief

Discretionary charitable relief for investment activities (Regulation 44 of the CLLR 2010) and other charitable relief (Regulation 45 of the CLLR 2010) are **not** currently available in Rhondda Cynon Taf.

Process for claiming mandatory charitable relief

Regulation 47 of the CILR 2010 sets out the procedures for claiming charitable relief. If these procedures are not rigorously followed, development will cease to be eligible for charitable relief and/or claims for charitable relief will lapse.

- The charitable institution claiming relief must submit a claim to the Council on a **CIL Claiming Exemption or Relief Form**, prior to commencement of the chargeable development.
- If the chargeable development is commenced before the Council has notified the charitable institution of its decision, the claim for relief will lapse.
- Also, development will cease to be eligible for charitable relief if the Council has not received a **CIL Commencement Notice** prior to commencement of the chargeable development.

Summary

To benefit from mandatory charitable relief, the charitable institution must be the owner of the land and using the land wholly or mainly for charitable purposes. Prior to commencing the chargeable development, they must have submitted their claim for relief and received the Council's determination, and submitted a **CIL Commencement Notice** to the Council.

Examples of how mandatory charitable relief is calculated

Scenario 1

A charitable institution gains planning permission for a supported housing residential development of 1,315m² Gross Internal Area (GIA) on a cleared site in Zone 3.

The residential CIL rate is £85 per m² in Zone 3; therefore the CIL liability is £111,775.

Prior to commencement of the development the Council receives a claim for charitable relief. The Council grants mandatory charitable relief because the tests in Regulation 43 are satisfied, and the CIL liability is reduced to £0.

Scenario 2

A charitable institution gains planning permission for a supported housing residential development of 1,315m² GIA, and a A1 retail unit (which will be occupied by the charitable institution) of 75m² GIA on a cleared site.

The residential CIL rate in Zone 3 is £85 per m² and the A1 retail CIL rate is £100 per m² therefore the total CIL liability is £119,275 (i.e. residential liability of £111,775 and retail liability of £7,500).

Prior to commencement of the development, the Council receives a claim for charitable relief. The Council grants mandatory charitable relief for the residential element because the tests in Regulation 43 are satisfied, but does not grant

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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 £7,500 (i.e. the retail liability).

Scenario 3

A university gains planning permission for 5,000m² GIA of new lecture theatre and science laboratories and 3,000m² GIA of student accommodation.

The CIL rate for non-residential institutions is £0 per m² and the CIL rate for student accommodation is £85 per m² in Zone 3, therefore the total CIL liability is £255,000 (i.e. non-residential institutions' liability of £0 + student accommodation liability of £255,000).

Prior to commencement of the development, the Council receives a claim for charitable relief. The Council grants mandatory relief for the lecture theatre and science laboratories because the tests in Regulation 43 are satisfied, and anyway, the CIL liability would be £0. However granting CIL relief for the student accommodation element would be considered to constitute a state aid and therefore no relief would be granted.

Consequently the CIL liability remains at £255,000 (i.e. the student accommodation liability).

For more information on Charitable Relief please see [Department of Communities and Local Government Community Infrastructure Levy Guidance \(June 2014\)](#).