



rhondda cynon taf
community infrastructure levy
ardoll seilwaith cymunedol

Guidance Note 2: Examples how CIL Liabilities are calculated

Preface

Rhondda Cynon Taf County Borough Council implemented its Community Infrastructure Charging Schedule on 31st December 2014. This means that any planning application that is determined on or after that date will be subject to the provisions of the Charging Schedule.

Background

This document contains simplified examples of how CIL liabilities are calculated and covers most scenarios that will occur in Rhondda Cynon Taf.

The examples are correct as at 31st December 2014

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 Regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended).

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 All-in Tender Price Index published by the Build Cost Information Service (BCIS), as set out in Regulation 40(6) of the Community Infrastructure Levy Regulations 2010 (as amended). Please note that the examples below do not include indexation.

Mandatory relief for charitable development and mandatory and discretionary relief for social housing

Examples of how levels of mandatory and discretionary relief for social housing and mandatory relief for charitable development will be calculated can be found in [Guidance Note 4 - Social Housing Relief](#) and [Guidance Note 3 - Charitable Development Relief](#).

Exemption for Self-Build Housing

The Amendment Regulations 2014 inserts an additional exemption for self-build houses, extensions and annexes. Please refer to [Guidance Note 5 - Exemptions for Self-build Properties, Extensions and Annexes](#).

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”

CIL Calculation Examples

Scenario 1

The development of a new dwelling in the Zone 3 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 3 is £85 per m². The calculation is as follows:

$90\text{m}^2 \times £85 \text{ per m}^2 = \text{CIL liability of } £7,650$

Scenario 2

The development of an extension to an existing dwelling. The existing dwelling is 255m² and the extension is 85m².

The size of the existing dwelling is irrelevant. The only matter of relevance is the size of the extension. 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 3

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.

The size of the existing dwelling is irrelevant. 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 4

The conversion and extension of an existing dwelling in Zone 3 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 3 is £85 per m². The calculation is as follows:

$$45\text{m}^2 \times £85 \text{ per m}^2 = \text{CIL liability of } £3,825$$

Scenario 5

The demolition of an existing dwelling in lawful use in Zone 3 and the construction of a block of flats in its place. The existing dwelling is 120m² and the block of flats 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 lawful use, its floor space is deducted when calculating the CIL liability. The CIL charge for residential development in Zone 3 is £85 per m². The calculation is as follows:

Process 1 – deduct existing floor space from new floor space

$$\text{The chargeable area is } 1,000\text{m}^2 - 120\text{m}^2 = 880\text{m}^2$$

Process 2 – calculate CIL liability based on the net increase in floor space

$$880\text{m}^2 \times £85 \text{ per m}^2 = \text{CIL liability of } £74,800$$

Scenario 6

The demolition of an existing dwelling not in lawful use in the Zone 3 and the construction of a block of flats in its place. The existing dwelling is 120m² and the block of flats is 1,000m².

The development of the block of flats results in the creation of a new dwelling therefore CIL applies. Because the existing dwelling is not in lawful use, its floor space is not deducted when calculating the CIL liability. The CIL charge for residential development in Zone 3 is £85 per m². The calculation is as follows:

$$1,000\text{m}^2 \times £85 \text{ per m}^2 = \text{CIL liability of } £85,000$$

Scenario 7

The conversion of an office block of 5,000m², not in lawful use, to 4,000m² of flats accommodation and 1,000m² of A1 retail development.

As the site is not in lawful use, the conversion is considered as new development and the existing floor space is not deducted when calculating the CIL liability. The CIL charge for flat accommodation in Zone 3 is £85 per m²

The CIL charge for retail is £100 per m². The calculation is as follows:

Process 1 – calculate the flat accommodation liability

$$4,000\text{m}^2 \times \text{£}85 \text{ per m}^2 = \text{£}340,000$$

Process 2 – calculate the A1 retail liability

$$1,000\text{m}^2 \times \text{£}100 \text{ per m}^2 = \text{£}100,000$$

Process 3 – calculate the total liability

$$\text{Flat accommodation (£}340,000) + \text{A1 retail (£}100,000) = \text{CIL liability of £}440,000$$

Scenario 8

The development of an extension to an A1 retail unit in Zones 1, 2 or 3 which is 200m²

The CIL charge for A1 retail development in Zones 1, 2 and 3 is £100 per m².

The calculation is as follows:

$$200\text{m}^2 \times \text{£}100 \text{ per m}^2 = \text{CIL liability of £}20,000$$

Scenario 9

The development of a new A1 retail unit in Zones 1, 2 or 3 which is 5,000m².

The CIL charge for A1 retail development in zones 1, 2 and 3 is £100 per m².

The calculation is as follows:

$$5,000\text{m}^2 \times \text{£}100 \text{ per m}^2 = \text{CIL liability of £}500,000$$

Scenario 10

The development of a new A3 (food and drink) unit (and any other use where the CIL liability is £0) in Zones 1, 2 or 3 which is 1,000m².

The CIL charge for A3 development in Zones 1, 2 and 3 is £0. There is no CIL liability.

Scenario 11

Site in Zone 2 comprising the demolition of a warehouse building of 5,000m², 1,000m² of which is in lawful use, and its replacement with a building of 10,000m², comprising 1,000m² of retail (A1) development, 5,000m² of office development and a block of flats 4,000m²

The key issue here is that the existing building is in lawful use. Therefore the total amount of existing floor space can be deducted from the CIL liability. As the new building comprises a range of uses, the deduction of the existing floor space is applied on a pro rata basis across the new uses.

The CIL charge for office development is £0 per m².

The CIL charge for A1 retail development is £100 per m².

The CIL charge for flats development (Zone 2) is £40 per m².

The calculation is as follows:

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Process 1 – calculate the deduction factor for the existing floor space
 $5,000\text{m}^2$ (existing floor space) / $10,000\text{m}^2$ (new floor space) = 0.5

Process 2 – calculate the office liability
 $5,000\text{m}^2 \times \text{£}0 \text{ per m}^2 \times 0.5 = \text{£}0$

Process 3 – calculate the retail liability
 $1,000\text{m}^2 \times \text{£}100 \text{ per m}^2 \times 0.5 = \text{£}50,000$

Process 4 – calculate the flat liability
 $4,000\text{m}^2 \times \text{£}40 \text{ per m}^2 \times 0.5 = \text{£}80,000$

Process 5 – calculate the total liability
Office (£0) + retail (£50,000) + flat (£80,000) = CIL liability of £130,000

Scenario 12

The demolition of a warehouse building of 5,000m² which is not in lawful use, and its replacement with a building of 10,000m², comprising 1,000m² of retail development, 5,000m² of office development and 4,000m² of flat (Zone 2) development.

As the building is not in lawful use, the existing floor space is not deducted when calculating the CIL liability.

The CIL charge for office development is £0 per m².
The CIL charge for A1 retail development is £100 per m².
The CIL charge for flat development (Zone 2) is £40 per m².
The calculation is as follows:

Process 1 – calculate the office liability
 $5,000\text{m}^2 \times \text{£}0 \text{ per m}^2 = \text{£}0$

Process 2 – calculate the retail liability
 $1,000\text{m}^2 \times \text{£}100 \text{ per m}^2 = \text{£}100,000$

Process 3 – calculate the flat liability
 $4,000\text{m}^2 \times \text{£}40 \text{ per m}^2 = \text{£}160,000$

Process 4 – calculate the total liability
Office (£0) + retail (£100,000) + flat (£160,000) = CIL liability of £260,000