

Briefing paper – Appendix 2

AGENDA ITEM

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Cabinet member: Cllr Felix Bloomfield

Revised CIL Instalment Policy

Purpose of briefing paper

1. For the Cabinet Member to consider the revised CIL Instalment Policy, and
2. to publish the document:
 - on the council's website
 - Council offices
 - Libraries in South Oxfordshire

Background

3. This briefing paper is to inform Councillors about officer's recommendation to amend our existing CIL Instalment Policy to make it more manageable and to bring it in line with the proposed Instalment Policy by Vale. Our software for the administration and collection of CIL would not need to be set up differently, occurring extra costs and administration burden.
4. To help developers' cash flow on large scale sites where the levy charged could be high, we adopted an Instalment policy as set out below. We consulted on our existing instalment policy as part of the CIL Charging Schedule consultation, and a number of developers supported an instalment policy. It helps to encourage the timely delivery of development and reflects the S106 process whereby developer contributions are triggered at different stages of the development.

Existing Instalment Policy

Total CIL Liability	Number of instalments/tranche	Payment Tranche Period
Less than £20,000	1	100% payable within 60 days

Equal to or greater than £20,000 but less than £100,000	3	1st instalment - 25% within 60 days 2nd instalment - 25% within 180 days 3rd instalment - 50% within 360 days
Equal to or greater than £100,000 but less than £2,000,000	3	1st instalment - 25% within 180 days 2nd instalment - 25% by end of yr 1 3rd instalment - 50% by end of yr 2
Equal to or greater than £2,000,000 but less than £10,000,000	4	1st instalment - 25% by end of yr 1 2nd instalment - 25% by end of yr 2 3rd instalment - 25% by end of yr 3 4th instalment - 25% by end of yr 4
Equal to or in excess of £10,000,000	7	Chargeable amounts up to £10,000,000 as instalments for £2,000,000 to £10,000,000, as detailed above, the remaining tranche payable as follows: 5th instalment - 33% by end of yr 5 6th instalment - 33% by end of yr 6 7th instalment - 34% by end of yr 7

- Having administered CIL for one year officers noticed that many Demand Notices fall within the first and second category, where a number of cases are just over the £20,000 threshold. It should be noted that on small scale developments, where there is no need to provide large infrastructure the proposed CIL rate is well within the viability of the scheme. Officers therefore recommend to lift the first threshold from £20,000 to £30,000.
- It is very unlikely that we will issue a demand notice in excess of £10million as large development sites tend to be delivered in phases and each phase would be subject to a demand notice. Therefore, for simplicity officers recommend a revised Instalment Policy as set out below.

Proposed Instalment Policy

Total CIL Liability	Number of instalments/tranche	Payment Tranche Period
Up to £30,000	1	100% payable within 60 days
£30,000 - £150,000	3	20% payable within 60 days 20% payable within 180 days 40% payable within 1 year
Over £150,000	3	20% within 60 days 20% by end of yr 1 40% by end of yr 2

- In accordance with CIL Regulation 69B we can bring into effect a new instalment policy at any time. The new instalment policy must be published on our website and made available for inspection at our offices and other places we consider

appropriate. The instalment policy must state the date on which it takes effect. Once the council has adopted the revised instalment policy new chargeable developments would be considered under the new payment regime.

Financial implications

8. There are no direct resource implications in relation to the revised document, this will be covered by existing resources (officer's time).

Legal implications

9. There are no legal implications other than satisfying the CIL Regulations 2010 (as amended).

Risks

10. There are no risks with the 'Do Nothing Scenario' and the 'Proposed Scenario'. However due to shared resources it would be more beneficial to have a joint Instalment Policy.

Timescale

11. The following next steps are being proposed

Action	Time
Decision by Cabinet Member	End July 2017
Call – in	5 days
No call in – publish revised CIL Instalment Policy on council's website and places we consider appropriate	August 2017

Recommendations

- To approve the Revised CIL Instalment