

Cheltenham Borough Council's 'Annual CIL Rate Summary Statement'

December 2020

Introduction

The Community Infrastructure Levy (CIL) Regulations 2010 (as amended) require CIL Charging Authorities to:

"Each calendar year, no earlier than 2nd December and no later than 31st December ... publish a statement ("Annual CIL Rate Summary") in relation to the next calendar year".

Regulation 121C(1)

This 'Annual CIL Rate Summary' Statement sets out how 'indexation' will affect CIL charges within Cheltenham Borough from 1st January 2021 to 31st December 2021.

Indexation

Indexation allows the rates we charge to be adjusted to take account of inflation.

Whilst the most common index is the Retail Prices Index (RPI), published by the Office for National Statistics, the CIL Regulations require us to use an index published by the Royal Institute of Chartered Surveyors (RICS).

The CIL Regulations require RICS to publish the CIL Index for 1st November each year, starting in 2019 and updated annually thereafter and for all Charging Authorities to apply this index.

Calculating CIL

CIL is calculated by multiplying the net increase in gross internal area (GIA)¹ by the relevant CIL rate (£/m²). The CIL rates must be index linked from the year that CIL was introduced to the year that a planning permission is granted.

¹ The definition of gross internal area is not specified in the regulations; however, the generally accepted method of calculation is the RICS Code of Measuring Practice (6th edition, 2015)

Background

Prior to changes in the CIL Regulations in 2019 we were required to use the national 'All-In Tender Price Index', published by RICS' Build Cost Information Service (BCIS). Changes to the CIL Regulations that came into force on the 1st September 2019 now require us, from the Calendar year 2020, to use a new RICS 'CIL Index'.

Along with the other JCS Authorities Cheltenham Borough Council began charging CIL on planning permissions granted after the 1st January 2019. As required at the time the Authorities applied the 'All-In Tender Price Index' published on the 1st November 2018 for the first calendar year of charging.

The index is now applied annually on the 1st January each year based on the RICS 'CIL Index' published on the 1st November in the previous year.

New Charges

From the 1st January 2021 to the 31st December 2021 rates have been adjusted in line with the RICS CIL Index published for the 1st November 2020 (26th October 2020).

The table below shows:

- The original charges in Year 1 (2019) when we began charging and the index was 322;
- the increased charges in Year 2 (2020) as the index rose by 3.73% to 334; and
- the reduced charges that will apply in Year 3 (2021) as the index has fallen by 0.3% to 333.

Charging Schedule

| Development Category | All-in TPI 01/11/18 | Year 1 (2019) | CIL Index 01/11/19 | Year 2 (2020) | CIL Index 01/11/20 | Year 3 (2021) |
|---|---------------------|-------------------------|--------------------|----------------------------|--------------------|----------------------------|
| Cheltenham Borough Council | | | | | | |
| 10 dwellings and under including extensions and annexes greater than 100 m ² | 322 | £148 per m ² | 334 | £153.52 per m ² | 333 | £153.06 per m ² |
| Between 11 and 449 dwellings | 322 | £200 per m ² | 334 | £207.46 per m ² | 333 | £206.83 per m ² |
| 450 dwellings and over | 322 | £35 per m ² | 334 | £36.31 per m ² | 333 | £36.20 per m ² |

| | | | | | | |
|-------------------------------------|-----|-------------------------|-----|----------------------------|-----|----------------------------|
| JCS Strategic Allocations A5 and B1 | 322 | £35 per m ² | 334 | £36.31 per m ² | 333 | £36.20 per m ² |
| Retirement Homes | 322 | £200 per m ² | 334 | £207.46 per m ² | 333 | £206.83 per m ² |
| Extra Care Homes | 322 | £100 per m ² | 334 | £103.73 per m ² | 333 | £103.42 per m ² |

Publication

Regulation 121C(3) requires us to “publish each annual CIL rate summary” on our “website”. This statement will therefore *be published on-line, alongside Cheltenham Borough Council’s Infrastructure Funding Statement (IFS) no later than the 31st December 2020.*

Contingency

If the RICS CIL Index is discontinued, we will revert to using the BCIS Index and, in the event that both are discontinued, we will use the Retail Price Index.

Further information and all CIL forms are available on the Planning Portal website at:

www.planningportal.gov.uk/planning/applications/howtoapply/whattosubmit/cil

If you have any questions regarding CIL please contact us at:

Cheltenham – cil@cheltenham.gov.uk