

## **Community Infrastructure Levy and the New Infrastructure Levy:** **What are they and who has to pay?**

**Community Infrastructure Levy (CIL)** is a charge that can be levied by local authorities on new development within their area to enable them to fund infrastructure needed to support development within their area.

The law allowing local authorities to make a levy came into force in 2019, but only applies where a local authority has published a charging schedule on its website after a process of consultation and approval.

Cotswold District Council has published a charging schedule so potentially new development in this area could now be subject to the levy.

The Cotswold District Council website states that the charge is levied on all residential development including sheltered housing and extra care housing but excluding the Chesterton strategic site (a site on the Southern edge of Cirencester between the A429 and Upper Siddington, incorporating Chesterton Farm and the edge of the industrial estate, currently being developed). The 2024 CIL rate is £95.85 per square metre.

The charge also applies to retail development and the 2024 CIL rate is £71.89 per square metre. No charge is levied on other development.

In all cases the owner of the land on which the development is to take place will pay the charge.

**So why do we need a new Infrastructure Levy (IL)?** This was introduced by the Levelling Up and Regeneration Act 2023 and became law on 26<sup>th</sup> October 2023. The details will be the subject of regulations over the next few years. It will ultimately replace the CIL.

The main differences are that the charge will be mandatory and will therefore not depend on whether local authority has published a charging schedule. Also, the charge will not depend on the floor area but the value of the property when sold. In addition, a person may “assume liability”, so this will not necessarily depend on ownership as now. It is unclear how this will work in practice until the regulations are published.

Meanwhile those considering developments, from extensions to large housing estates, will need to remember to factor into their calculations the additional costs which may arise by way of CIL/IL.

For more information, please see gov.uk and CDC website or contact us Alison Fielden & Co, The Gatehouse, Dollar Street, Cirencester, GL7 2AN, 01285 653261.