

Appendix 4

Community Infrastructure Levy Background

The Community Infrastructure Levy (CIL) was adopted by the authority on 4th January 2016.

The CIL runs alongside existing S106 mechanisms but is not intended to replace S106. It differs to S106 in that it is a mandatory charge, calculated on a high level viability assessment of different types of development in different parts of the city. CIL is charged per square metre on new developments (with various available exemptions), and is calculated before any S106 contributions are negotiated.

CIL is calculated when planning permission is granted and once received, is split into three separate contributions, in line with the CIL Regulations 2010 (as amended); the monitoring and administration sum, the Strategic CIL contribution and the Local CIL contribution.

The monitoring and administration sum is 5% of CIL receipts, and covers the administrative and associated costs associated with preparing and charging a CIL and therefore there is no opportunity to influence this spend.

The Strategic CIL contribution is 80% of CIL contributions and is used for infrastructure needed to support the development of the area (as outlined in the Birmingham Development Plan) and the local authority will determine those infrastructure priorities.

The Local CIL contribution is 15% of receipts from the area in which development takes place, and is to be spent in that area. The City Council retains these receipts and should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. The use of neighbourhood funds should match priorities expressed by local communities. These funds are ring fenced for the Wards in which development takes place and cannot be spent elsewhere, but can be used as match funding.

A report is produced annually outlining the City Council's CIL position, including funds received, funds carried over from previous financial years, and CIL funds spent.