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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>PLANNING COMMITTEE</b>
<b>DATE:</b>	<b>7 JUNE 2016</b>
<b>REPORT OF THE:</b>	<b>HEAD OF PLANNING AND HOUSING GARY HOUSDEN</b>
<b>TITLE OF REPORT:</b>	<b>RYEDALE COMMUNITY INFRASTRUCTURE LEVY. PAYMENT INSTALMENT POLICY</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

1.1 For Members to consider and agree a draft CIL Payment Instalment Policy.

### **2.0 RECOMMENDATION**

2.1 That Council is recommended to approve:

- (i) The key elements of a CIL payment instalment policy as outlined in paragraph 6.5.

### **3.0 REASON FOR RECOMMENDATION**

3.1 To support the implementation of the Community Infrastructure Levy in Ryedale.

### **4.0 SIGNIFICANT RISKS**

4.1 There are no significant risks associated with the recommendation.

### **5.0 POLICY CONTEXT AND CONSULTATION**

5.1 Members are aware that the Ryedale Community Infrastructure Levy came into effect on the 1st March 2016. CIL legislation sets a default of full payment of the Levy within 60 days of the commencement of the chargeable development unless a charging authority has an payment instalment policy in place. The purpose of this is to allow payments to be spread over a longer period. The ability to pay CIL in instalments will make a considerable difference to those liable to pay CIL and will be an important factor influencing development viability and deliverability.

5.2 The legislation provides the Council with the freedom to decide the number of

payments, the amount and timing of payments in an Instalment Policy. There is no statutory requirement to consult on a payment instalment policy prior to its introduction, although clearly it is the interests of all to ensure that the policy is 'workable'. To this end and given that the CIL Charging Schedule is already in effect, it is considered that a period of practical application of the policy in tandem with targeted consultation with developers will help to identify whether improvements or changes to the policy should be made. It should be noted that a Council can make changes to its Instalment Policy providing that sufficient notice is given.

## **6.0 REPORT**

6.1 A proposed Instalment Policy is outlined below. It has been compiled by taking account of existing instalment policies operating in a range of other areas across the country, including Selby and Hambleton in North Yorkshire.

6.2 As Members are aware, CIL is charged (primarily on residential development) across Ryedale on sites of all sizes. Whilst it is important that CIL is collected in a timely fashion, this does need to be balanced against the fact that the charge will impact upon the development economics of a scheme. It is important that in collecting CIL, the Council's approach to an instalment policy is reasonable and that it acts to serve its purpose and to support developers in making payments. If an instalment policy is over optimistic in terms of the timing and level of payments, there is a risk that time and resources would need to be spent enforcing payments and collecting surcharges. It is considered important therefore that any instalment policy is reasonable and pragmatic and is designed to reflect the range of CIL liabilities that different landowners and developers are likely to face.

6.3 To date, CIL Instalment policies across the country vary considerably in terms of:

- the number and proportion of instalments depending on the amount of CIL to be paid
- the time period/ 'payment trigger' for each instalment

6.3 A number of existing charging schedules, including some of those operating locally, require CIL to be paid in full 60 days after the commencement of development for schemes that are liable for up to £50k CIL charge. It is possible that this is a legacy of earlier versions of the CIL Regulations, however, it is considered that this could be onerous for smaller developers who may not be in a position to make payments early in the early stages of a scheme. On that basis, it is considered that Ryedale should provide the opportunity for CIL liabilities to be paid in smaller amounts and over a longer time period.

6.4 Similarly, a number of charging schedules establish relatively short periods (2-4 months) for initial and second instalment triggers even for larger CIL liabilities. Officers are concerned that such an approach may prove difficult for the developers of larger schemes which often require a longer lead in time. It is considered that for higher liabilities schemes should be given the option of additional instalment periods over a longer period.

## 6.5 Proposed Instalment Policy

<b>CIL Liability</b>	<b>Payment Period and amount</b>
Under £10,000	Due in full within 6 calendar months of commencement
From £10,000 up to £50,000	Due in two equal instalments within: 6 months of commencement 9 months of commencement
From £50,000 up to £150,000	Due in three equal instalments within: 6 months of commencement 9 months of commencement 12 months of commencement
Over £150,00	Due in four equal instalments within; 6 months of commencement 9 months of commencement 12 months of commencement 18 months of commencement

## 7.0 IMPLICATIONS

7.1 The following implications have been identified:

- a) Financial  
There are no direct financial implications associated with the implementation of an Instalment Policy.
- b) Legal  
Once an Instalment Policy is agreed it forms the basis for the CIL demand notice that the Council will issue. Any non-compliance with the demand notice can ultimately result in legal action.
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
No other implications have been identified.

## 8.0 NEXT STEPS

- 8.1 Once agreed by Council, the instalment policy will be published on the Council's website and made available for inspection at Ryedale House, in accordance with statutory requirements.
- 8.2 Use of the policy will be monitored together with the responses of the development industry. If this reveals a need to amend the policy this will be the subject of a further report to Members.

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**Background Papers:**  
Ryedale Community Infrastructure Levy Charging Schedule

Examples of other CIL Instalment policies

**Background Papers are available for inspection at:**  
<http://www.ryedaleplan.org.uk/community-infrastructure-levy>

Ryedale House