

**Malvern Hills District Council
Community Infrastructure Levy (CIL)**

Indexation Update - Guidance Note (April 2019)

This document has been produced to provide information and guidance on how indexation will affect CIL charges for CIL liable development in Malvern Hills District Council's administrative area.

All CIL Liability Notices issued by the council from 1 April 2019 onwards will include indexation in the calculation of the chargeable amount. The calculation of the CIL chargeable amount by the CIL Regulations 2010 (as amended):

<p><u>R x A x Ip</u> <u>lc</u></p> <p>R – the CIL rate for that use A – the deemed net area chargeable at rate R Ip – the index figure for the year in which planning permission was granted lc – the index figure for the year in which the charging schedule took effect</p>

The index that must be used is set by the CIL Regulations and is the BCIS All-in Tender Price Index. The index figure for any given year is set by the council on 1 April and is the most recent finalised index figure published before the previous 1 November. The index figures that will be used to calculate indexation for Malvern Hills District Council's adopted Charging Schedule are:

Year in which permission first permitted development for CIL purposes	Index Figure (for year 1 April to 31 March)
2017 (year in which Charging Schedule took effect)	286 (fixed baseline for lc)
2018	321
2019	327

Worked example

Average residential example based on the above approach:

Year in which CIL took effect: 2017

Fixed baseline figure: 286

Planning Application: 1 new dwelling at £40 per sq. m, floorspace 100 sq. m

Year in which planning permission first permits development: 2019

2019 index update: 327

CIL Charge = £40 x 100 x 327 ÷ 286 = £4,573

This document is relevant to all CIL Liability Notices issued since 1 April 2019 identifying the Index Value relevant to each CIL indexation year. This document will be updated annually in April when a new index figure for that financial year will be applied.

Year in which permission first permits development for CIL purposes

The time at which planning permission first permits development for CIL purposes varies dependent on the type of decision being sought from the council. The timing is set out under CIL Regulation 8 and will vary e.g.:

- Outline Permissions
- Reserved Matters following outline
- Discharge of conditions on phased permissions
- Full planning applications
- Certificate of Lawful Development Proposed, e.g. household extensions
- Submissions for decisions on other permitted development proposals, e.g. permitted change of use

For the reasons above it is not automatic to assume that the BCIS All-In TPI indexation value that is used to calculate the CIL chargeable amount, will be the rate in the year in which a Decision Notice is issued by the council.

Even if a decision is made not to submit an application to seek the formal decision of the council as to whether permitted development works are lawful and compliant with the legislative and regulatory controls placed upon them, CIL is still relevant to any proposal that generates a net gain in floorspace and needs to be assessed for the works being carried out.

Time at which a CIL Liability Notice is generated

Until such time as planning permission first permits development for CIL purposes, no CIL Liability Notice will be generated by the council. For this reason it is possible that the relevance of CIL to a development proposal will not appear on the Land Charges Register, as it is only once a CIL chargeable amount can be calculated that the chargeable amount will appear as a Land Charge.

For any further information or advice in respect of CIL indexation please either view the councils CIL webpage or contact the council's Planning Policy team directly [01386-565565].

1 April 2019