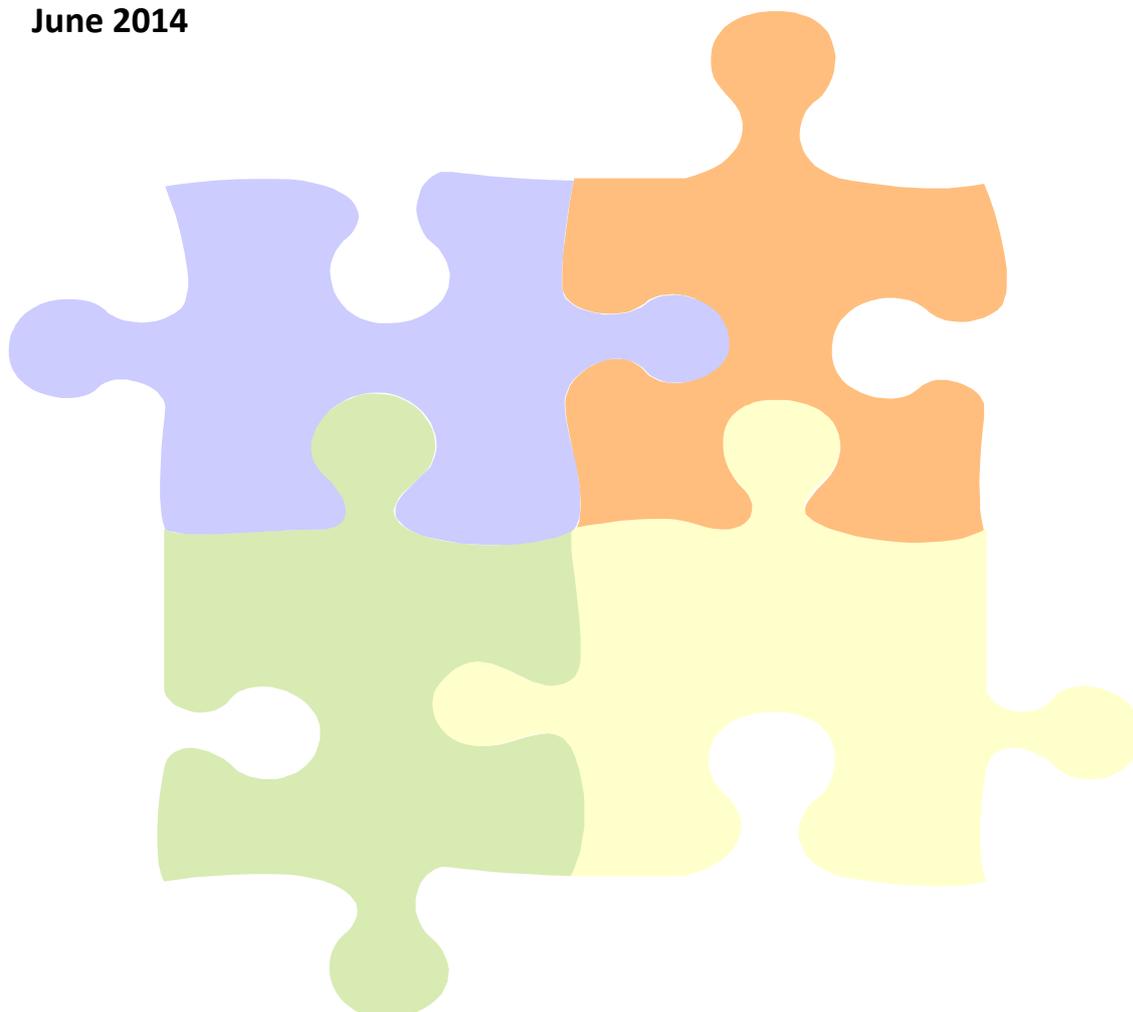


CIL In Merton

A guide to the implementation of the Community Infrastructure Levy in Merton

June 2014



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Note – Purpose of this document

The information contained in this guide is intended to assist understanding of how The Community Infrastructure Levy (CIL) will be implemented in Merton. It should, however, not be regarded as definitive advice. It is not intended to replace the need to read and understand the CIL regulations and government advice and guidance on CIL. If in doubt, developers and landowners are advised to seek their own professional advice. See [Section 12](#) of this document for a link to the government guidance.



1. What is CIL?

The Community Infrastructure Levy (CIL) is a type of planning charge, introduced by the Planning Act 2008, to pay for the infrastructure needed to support new development. It came into force through the Community Infrastructure Levy Regulations 2010, which have been amended several times. Development that is granted planning permission or general consent (permitted development) may be liable to pay CIL upon commencement of development. CIL charges are mandatory and non-negotiable.

Charges relate to the floorspace of a development, with differential rates possible for different types and sizes of development in different areas/zones. Local authorities set the charges, but the Regulations prescribe how CIL will be collected and spent.

2. Would my development be caught by CIL in Merton?

Whether your development would be liable to a CIL payment will depend on whether it would be possible under the regulations to charge the development. Both the Mayor of London and Merton Council have introduced charges for certain types of development.

Some developments are also subject to exemption and reliefs once the liable amount of CIL for a development has been established. [Section 5](#) provides details of these exemptions and reliefs and how to apply for them.

CIL applies to developments whether they need planning permission or not. Where planning permission is not required the collection process is slightly different, but the charge is worked out in the same way.

[Table 1](#). lists types of development that could be liable to CIL and notes where there might be some exemptions/reliefs. [Table 2](#). sets out development that would not be liable to pay.



Table 1. Development that would normally be liable to CIL

<i>Development type</i>	<i>Exemptions/Reliefs</i>
Development comprising new dwellings, including conversions or changes of use	Yes
Other development with 100 sqm or more of new-build floorspace, including new buildings, extensions to buildings and replacement floorspace	Yes
200 sqm or more new mezzanine floorspace within existing buildings	For charities only

Table 2. Development that would not be liable to pay CIL

<i>Development type</i>	<i>Notes</i>
Structures which are not buildings, such as pylons and wind turbines	
Buildings into which people do not normally go or go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery	But might be liable if part of or attached to another type of building
Conversion from a single dwelling house to two or more dwelling houses	
Development including less than 100 sqm new build floorspace and no new dwellings	Replacement dwellings are usually liable
Less than 200 sqm of new mezzanine floorspace within existing buildings	
Conversions where existing floorspace has been in continuous lawful use for 6 months of the 3 years preceding the date planning permission permits development, and no extension	Sometimes new floorspace can be offset by demolished floorspace that passes the 6-month in 3 years test, meaning there is no charge



3. How much will I have to pay?

How much a development will be liable to pay in CIL will depend primarily on the rates set by the Mayor of London and Merton Council (as per [Table 3.](#)) and how much floorspace would be chargeable under the regulations. The amount payable is index linked and can also include late payment interest and surcharges for failing to follow the payment procedure set out in the regulations.

What charges apply to development in Merton?

Merton has adopted a set of rates that are effective from 1 April 2014 and the Mayor of London has a rate that has been effective since 1 April 2012. In most cases both these charges apply, so to work out the CIL liability these need to be added together. [Table 3.](#) lists the charges that are in effect in Merton.

Table 3. Charges applied to development in Merton

<i>Development use type</i>	<i>Rates</i>
Residential	<p>Mayor of London CIL £35/sqm (all areas)</p> <p>plus</p> <p>Merton CIL £220/sqm (north) or £115/sqm (south)*</p> <p>* The borough is divided into two residential charge zones, north and south. The Merton CIL Charging Schedule contains a map of the residential charging zones and can be found on the Merton CIL webpage at http://www.merton.gov.uk/CIL</p>
Retail warehouses/ superstores	<p>Mayor of London CIL £35/sqm (all areas)</p> <p>plus</p> <p>Merton CIL £100/sqm (all areas)</p>
Health and education	<p>Mayor of London CIL £nil /sqm (all areas)</p> <p>plus</p> <p>Merton CIL £nil /sqm (all areas)</p>
All other uses	<p>Mayor of London CIL £35/sqm (all areas)</p> <p>plus</p> <p>Merton CIL £nil /sqm (all areas)</p>



How do I calculate the amount of chargeable floorspace?

The regulations prescribe a formula that is to be used to calculate the “deemed net additional floorspace,” which is set out in [Figure 1](#). This is the amount of floorspace which will then be multiplied by the charging rate and any indexing to work out the CIL charge.

Figure 1. The chargeable floorspace formula

The general principle of the formula is as follows:

PROPOSED FLOORSPACE (GROSS) - EXISTING FLOORSPACE (IN USE)

The actual formula that is to be used is:

$$G_R - K_R - \frac{(G_R \times E)}{G}$$

An explanation of each abbreviation is set out in [Table 4](#).

How is floorspace worked out?

The type of floorspace measurement that is required is called gross internal area (GIA). RICS Code of Measuring Practice provides a guide as to how to measure gross internal area of buildings.

Which plans do I take measurements from, and are all buildings included?

The regulations prescribe that the proposed plans approved by the planning permission are to be used to measure the amount of chargeable floorspace of proposed development. It will often be necessary to take measurements from existing/pre-existing drawings to work out which areas are new-build. For development that does not require planning permission, the council will use whatever information it has at its disposal to take measurements, for example plans submitted with prior approval applications. You measure all buildings other than the following:

- i) a building into which people do not normally go
- ii) a building into which people go only intermittently for the purpose of maintaining or inspecting machinery, or
- iii) a building for which planning permission was granted for a limited period



So how do I use the formula?

The figures that are required in the formula are set out in [Table 4](#).

Table 4. Measurements required for the chargeable floorspace calculation

<i>Measurement</i>	<i>Abbreviation</i>
Total proposed development floorspace (including retained floorspace)	G
Proposed development floorspace (including retained floorspace) for each of the following uses: <ul style="list-style-type: none">• Residential• Retail warehouses/superstores• Education/healthcare• All other uses	G _R
Existing floorspace, i.e. floorspace that is situated on the land on the date planning permission first permits development, which was in continuous lawful use for 6 months within the 3 years preceding that date and which would need to be demolished following grant of planning permission for the development to be completed.	E
Retained floorspace figures for each of the following uses, if that floorspace was in continuous lawful use for 6 months of the 3 years before the date planning permission first permits development, or if there is no change of use and it was in lawful use when planning permission first permitted development: <ul style="list-style-type: none">• Residential• Retail warehouses/superstores• Education/healthcare• All other uses	K _R



When did planning permission first permit development?

If planning permission was required for the development, this will often be the date on the decision notice. For outline planning permissions, this will be the date when the last required reserved matter application is approved, and where planning permission is not needed this will depend on the “Notice of Chargeable Development” received or issued by Merton Council. See [Section 6](#) for more on this.

What if my development has more than one use?

You will need to run the calculation for each of the uses that have a charge rate attached (excluding nil rates) as referred to in [Table 3](#). Most development will only propose just one of the uses so the calculation only has to be run once, however mixed-use development may require multiple calculations.

Once I know what the chargeable floorspace is, how do I work out the charge?

Calculating how much you have to pay is straightforward in most cases. [Figure 2](#) summarises the calculation. [Figure 3](#) sets out one straightforward example for a single use development and [Figure 4](#) a more complicated example for a mixed-use scheme.

Where two or more rates apply to a given development then the formula set out in [Figure 2](#) is to be applied separately for each rate. Most CIL liable developments in Merton will be residential; in which case the formula will need to be applied twice, once for each rate using the same chargeable floorspace figure. The two figures are then added together. Late payment interest* and surcharges are then added to get the total amount payable. [Figure 3](#) is an example of the calculation for solely residential development.

* Late payment interest is calculated as 2.5% pa of the overdue liability above the Bank of England base rate published from time to time.



Figure 2. Calculating the amount I have to pay

This is summarised by the following formula:

$$\begin{aligned} & \text{chargeable floorspace} \\ & \quad \times \\ & \quad \text{rate per sqm} \\ & \quad \quad \times \\ & \quad \quad \text{indexing*} \\ & \quad \quad \quad + \\ & \quad \quad \quad \text{any late payment interest and surcharges} \end{aligned}$$

* This figure is calculated by looking at the All-in Tender Price Index published by the Building Cost Information Service (BCIS) of the Royal Institution of the Chartered Surveyors. To work out the indexing, the figure published for the 1st of November for the year before the year that planning permission was granted is divided by the figure published for the 1st of November before the year that the charge came into effect



Figure 3. Straightforward example for calculating amount payable

Residential development for four flats in the north of the borough involving 200 sqm of chargeable floorspace. Paid on time with no surcharges for failing to follow the payment process. No exemptions or relief.

Chargeable floorspace	= 200 sqm
Charges	= £220/sqm (Merton residential north rate) = £35/sqm (Mayor of London rate)
Indexing (hypothetical)	= 101% (Merton charge) = 105% (Mayor of London charge)
Late payment interest/surcharges	= £0
Merton CIL	= 200 x £220 x 101% = £44,440
Mayoral CIL	= 200 x £35 x 105% = £7,350
Total Charge payable	£44,430 + £7,350 + 0 (interest/surcharge) = £51,790



Figure 4. More complicated example

Mixed use development in the south of the borough comprising 1000 sqm superstore and 30 dwellings (2000 sqm) involving demolition of 1000 sqm warehouse. Paid on time with no surcharges for failing to follow the payment process. No exemptions or relief.

Chargeable floorspace = 2000 sqm (Mayor of London CIL)
= 1333 sqm (Merton residential south rate)
= 667 sqm (Merton superstores rate)

Charges = £35/sqm (Mayor of London rate)
= £115/sqm (Merton residential south rate)
= £100/sqm (Merton superstores rate)

Indexing (hypothetical) = 105% (Mayor of London charge)
= 101% (Merton charges)

Late payment interest/surcharges = £0

Merton CIL (Residential) = 1333 x £115 x 101% = £154,827.95

Merton CIL (Superstore) = 667 x £100 x 101% = £67,367

Mayoral CIL = 2000 x £35 x 105% = £73,500

Total Charge Payable = £154,827.95 + £67,367 + £73,500 + £0
= £295,694.95



Can I negotiate how much I have to pay?

CIL liabilities are legally binding under the regulations and are non-negotiable.

When will I know how much I will have to pay?

- *Before planning permission is granted: Indicative estimate*

It is possible to take an estimate of a CIL chargeable amount at this stage however, as the floorspace and the date permission allows development are not fixed at this stage, the figure may change.

- *Provisional amount and the “liability notice”*

After planning permission is granted or a Notice of Chargeable Development (see [Table 6.](#)) has been received by the Council we will issue a “liability notice”. This will include the amount that would be payable should the development be commenced immediately and the correct payment process followed. The Regulations call this “the chargeable amount”.

The liability notice will also set out the amounts of any relief or exemption that has been granted, and information on the payment procedure, penalties for not following the procedure and other information for liable parties.

The chargeable amount that is set out in the liability notice is a local land charge which will be registered against the property until all remaining CIL liabilities have been paid and where a relief or exemption applies, until the end of the period within which the relief can be cancelled due to a disqualifying event without such an event having occurred (see [Section 5](#) for more on reliefs and exemptions).

The council will issue a revised liability notice if the chargeable amount changes (for example following a review or appeal or following any successful application for relief or exemption). Any earlier liability notice will cease to have effect and any revised chargeable amount will replace the previous one on the Local Land Charges Register.

- *Commencement: Confirmed amount, payment and the “demand notice”*

Once the council is aware of commencement, a “demand notice” will be sent to the liable party which will set out the total amount payable by that party including any surcharges or late payment interest, and the dates when payments will be due (see [Section 4](#)). This will also give advice on payment instructions.



4. When will I have to pay?

- *One-off payment*

Other than for large liabilities payment needs to be made in one lump sum. If you follow the payment procedure you will have 60 days following commencement to make payment. For cases that haven't followed the procedure the notice will state that the full amount is due immediately.

- *Instalments*

For large liabilities where the payment procedure has been followed, payments can be made in instalments. For cases that haven't followed the procedure the full amount is due immediately. Merton's instalments policy applies to situations where both Mayoral and Merton CIL is payable. The policy is set out in [Table 5](#). Instalments, where no Merton CIL is payable, kick in for Mayoral CIL liabilities at or above £500,000.

Table 5. Merton's CIL instalment policy (this is not applicable to cases where there is no Merton CIL)

<i>Amount of CIL liability (Merton CIL plus Mayoral CIL)</i>	<i>Number of instalments</i>	<i>Payment period amounts if the correct payment procedure has been followed</i>
Any amount less than £100,000	One-off payment	Total amount payable within 60 days of commencement of development
Amounts from £100,000 to £250,000	Two instalments	1) £100,000 payable within 60 days of commencement of development 2) Balance payable within 120 days of commencement of development
Amounts from £250,000 to £500,000	Three instalments	1) £100,000 payable within 60 days of commencement of development 2) Balance payable in a further two instalments of equal amounts within 120 and 180 days of commencement of development
Any amount greater than £500,000	Four instalments	1) £250,000 payable within 60 days of commencement of development 2) Balance payable in a further three instalments of equal amount within 120, 180 and 240 days of commencement of development



5. What reliefs/exemptions are available?

This section summarises the range of CIL reliefs/exemptions that might be available and touches on procedures that need to be followed to ensure that a relief or exemption can be granted or subsequently to avoid disqualification. The government's CIL guidance provides more detailed explanation and includes some requirements that are to be followed by persons if they are to qualify for a relief/exemption or avoid disqualification. See [Section 12](#) for a link to the guidance.

- *Minor Developments*

Some developments are exempt from CIL because they are “minor developments.” These are developments where the Gross Internal Area (GIA) of new-build floorspace would be less than 100sqm and where the development does not comprise one or more dwellings. “Minor developments” are the only developments which are automatically exempt and do not need to claim any exemption from CIL.

- *Residential extensions*

Some larger extensions, particularly around Wimbledon, are too large to be classed as “minor developments” but may still be able to apply for an exemption. This exemption is available for householders who are building larger extensions to their own homes, where new floorspace will be used in association with the dwelling, e.g. a kitchen extension, new basement, loft extension or outbuilding. The exemption only applies to the person who applies for it, so if the building has a new owner they will need to apply for a new exemption before starting work.

- *Residential annexes*

The exemption for residential annexes is for development comprising a self-contained dwelling within the curtilage of a single dwelling. It has been introduced to ensure that homeowners are not charged for trying to build houses for friends or relatives. There is an application process similar to the exemption for residential extensions. The new unit must only be owned by the owner of the principle dwelling within whose curtilage the new unit is built. If it is sold or rented out to anyone within 3 years of its completion then the exemption will be withdrawn and the CIL charge must be paid.

- *Self builders*

A self-build exemption is available to individuals who build or commission their own home for their own occupation. An application needs to be made by the claimant (who will have had to have assumed liability for CIL – see [Section 6](#)) and relief granted before development commences. On completion, they must provide the supporting evidence required under the regulations and guidance, and the property must remain their principal residence for a minimum of three years. See [Section 12](#) for a link to the guidance.



- *Social housing*

Residential developments that include units secured for affordable rented or shared ownership tenures by a registered provider of affordable housing can qualify for social housing relief. The government's CIL guidance contains more information regarding the criteria for granting social housing relief and how social housing relief is calculated. See [Section 12](#) for a link to the guidance.

- *Charitable development on charitable land*

An exemption is available for charities for development of land within their ownership. The development would have to be used wholly or mainly for charitable purposes and could only be occupied or under the control of one or more charitable institutions. The exemption is not available if the land or part of the land is jointly owned by a non-charity. The government's CIL guidance contains more information regarding the criteria for granting exemptions for charitable development. See [Section 12](#) for a link to the guidance.

How do I apply for reliefs/exemptions?

Exemptions and reliefs need to be applied for and granted before development is commenced. If work is started before a decision on an application for relief or an exemption is issued, the development ceases to be eligible. Relief/exemption forms which are to be completed and submitted to the council can be found on the government's Planning Portal website. See [Section 12](#) for the website address.

The detailed requirements for applications are set out in Part 6 of the Regulations and the government's CIL guidance. See [Section 12](#) for a link to the guidance.

If you have failed to follow the payment procedure you may forfeit the ability for anybody to claim any exemptions or reliefs with respect to the development. For example if you have failed to notify the council correctly of the date of commencement before works start you will disqualify yourself or anyone else from being able to qualify for a relief or exemption.

Can my relief or exemption be cancelled and the CIL become payable?

If you have failed to notify the council correctly of the date of commencement and then start works then any relief or exemption that has been granted will be cancelled and the full CIL liability that was granted the relief or exemption will become payable immediately.

With respect to exemptions for residential annexes and self-builders, if there is a disqualifying event within 3 years of the completion of development the relief or exemption is cancelled and the full amount that was subject of the exemption or relief has to be paid immediately to the council.

A disqualifying event can include a change of circumstances with respect of the development, or the party that was granted the relief or exemption, which, if known

at the time it was first applied for or following completion, would have resulted in the application being refused or the exemption being cancelled.

A disqualifying event can occur with respect of charitable exemption or social housing relief within 7 years of commencement of development. For example, with respect of social housing relief a disqualifying event would be if a social housing unit was sold on the open market and the proceeds of that sale were not recycled for affordable housing that would qualify for social housing relief, or with respect of a charitable exemption, if the land that was subject to the exemption was transferred to a non-charitable organisation.

Will future occupiers and owners of the development be aware of this risk?

Under the Regulations the 3 and 7-year periods during which a disqualifying event can occur is called “the clawback period”. The chargeable amount of CIL before any reduction due to exemptions or reliefs granted will remain on the Local Land Charges Register until the end of the clawback period. This will allow prospective purchasers of land within the development to be forewarned of the implications of triggering a disqualifying event. For the exemptions for residential extensions, the chargeable amount will be removed following commencement but only if we receive a valid commencement notice before works start which includes the correct date of commencement.



6. What information do I have to provide to the Council?

The key forms and information to be submitted are listed in [Table 6](#).

Table 6. Key forms and information to be submitted by applicants/developers

<i>Form/information</i>	<i>Where can I find the form?</i>	<i>What is it for?</i>
<i>Planning application and permitted development</i>		
CIL additional questions document	Planning Portal See Section 12 for the website address	To assist the council in calculating the chargeable amount so you are not overcharged To make sure your planning application can be considered, this form must be completed and submitted when applying For more information see associated guidance on the Planning Portal and government guidance. See Section 12 for a link to the guidance
Notice of Chargeable Development	Planning Portal See Section 12 for the website address	To notify the council of a chargeable development that does not require a planning application (i.e. permitted development)
Statement of Community Involvement: Public consultation feedback on aspirations for spending the neighbourhood proportion of Merton CIL that will be payable This will be sought from major applications	n/a	To assist in the allocation of Merton CIL funding where a development would make a significant contribution to neighbourhood CIL funding in an area Promotes opportunities for developers and residents to share the benefits of development and ease the burden of development that is felt locally



<i>Form/information</i>	<i>Where can I find the form?</i>	<i>What is it for?</i>
<i>Post application</i>		
Assumption of liability	<p>Planning Portal</p> <p>See Section 12 for the website address</p>	<ul style="list-style-type: none"> • To ensure that you can qualify for deferred payment, or for parties with CIL liabilities over £100,000, payment by instalment • To avoid surcharges • It is a prerequisite for the granting of an exemption for self-builders and social housing relief • If the party who has been granted social housing relief withdraws this notice or transfers liability to another party the relief that has been granted might be cancelled
Commencement notice	<p>Planning Portal</p> <p>See Section 12 for the website address</p>	<p>Failure to follow the information on the notice (including commencing before the commencement date stated on the notice) or failure to submit one before commencement will cancel any relief/exemption claims and result in surcharges becoming due</p>
Relief/exemption application form	<p>Planning Portal</p> <p>See Section 12 for the website address</p>	<p>To apply for the following exemptions/relief:</p> <ul style="list-style-type: none"> • Exemption for residential extensions • Exemption for residential annexes • Exemption for self builders • Social housing relief • Exemption for charities



7. Can I challenge any aspect of the collection/implementation?

In some cases you might be able to. For full details of your options please see the government guidance (see link to the guidance in [Section 12](#)).

8. What may happen if I don't pay or if I don't follow the regulations?

Examples of penalties for not paying or failing to follow the regulations are set out in [Table 7](#).

Table 7. Some repercussions for not paying or failing to follow the regulations.

<i>Act</i>	<i>Penalty</i>
Late payment	<ul style="list-style-type: none"> Enforced stop to works Legal proceedings to recover payment Surcharges Late payment interest
Failing to pay at all	<ul style="list-style-type: none"> Jail sentence Buildings knocked down Damage awards Land charge default
Premature commencement of works	<ul style="list-style-type: none"> Exemption/reliefs cancelled Surcharges
Failure to assume liability before commencement	<ul style="list-style-type: none"> Social housing relief and self build housing exemption not available Deferred payment and payment by instalment not available Surcharges



9. Will there still be S.106 payments or planning obligations?

Infrastructure or other measures that are necessary to make development acceptable in planning terms and for which the local authority doesn't intend to be the subject of CIL funding (other than on a list of projects to be subject of the 15% of CIL receipts that has to be spent on neighbourhood projects*) may still be subject of a S.106 agreement.

Most infrastructure or infrastructure projects are limited in terms of the number of S.106 agreements that can be secured with respect of their funding or in-kind provision. However there are no limitations in this respect for the in-kind provision or contributions towards affordable housing and other non-infrastructure measures.

Planning obligations secured before the introduction of the Merton CIL will remain unaffected, with all infrastructure funding paid for under those agreements still lawful.

The council will prepare supplementary guidance on planning obligations, which will provide more detailed information as to how planning obligations will be used in Merton once the Merton CIL charging schedule is in effect.

*For more on the neighbourhood-funding element see [section 11](#).

10. How flexible is CIL to larger phased developments?

CIL liabilities with respect of developments with planning permissions granted with conditions permitting development in phases are separated into tranches as though each phase is a separate development. Payment on a particular phase only becomes due upon commencement of works on that phase. Liability notices, reliefs and exemptions are issued in relation to the individual phase to which they relate.



11. How will the CIL money be spent?

When the CIL payment is received it will be put into a holding account. At the end of each financial quarter the council will identify the Mayoral CIL amounts, of which 96% will be transferred to Transport for London to spend on the Crossrail project. The remaining 4% is retained to cover the administrative costs incurred by the council in the collection of the Mayoral CIL.

The rest of the money will be split into three Merton CIL pots as follows:

- Strategic infrastructure (80%)
- Neighbourhood projects (15%)
- Administration costs (5%)

- *Strategic Infrastructure*

The council can publish a list of strategic infrastructure projects or types of strategic infrastructure – called the Regulation 123 List – that it intends to spend the strategic infrastructure pot on. These projects should be based on the projects or types of projects that have been established, through the local planning process, as necessary for the development of its area. The Council's Regulation 123 list will be published on the council's website at www.merton.gov.uk/CIL.

The Council will consult the community on any amendments to this list and such amendments will usually require authorisation via a meeting of Full Council.

Funding will only be granted for infrastructure projects or types of infrastructure that have appeared on the list and will be prioritised through established approval routes already used in Merton with allocations to specific capital projects or programmes authorised in accordance with existing rules for allocation of Capital funding.

- *Neighbourhood funding*

The Regulations and Guidance do not prescribe how local authorities without a Parish Council within their administrative area are to apply neighbourhood funding element of CIL revenues other than that 15% of the CIL raised is to be spent on neighbourhood projects to support the development of the area and that they are to agree with the community how it is to be spent.

The Council is yet to have prepared or agreed a procedure for this purpose. To date officers have been involved in discussions with a number of community groups, government representatives, professional groups and practitioners to investigate what should be included. We have commenced work preparing a draft and will consult elected members over the Summer/Autumn 2014 so that we can be in a position to agree to allocation of funding when meaningful amounts of sums start to accumulate a year following the introduction of the Merton CIL.

A sample of a hypothetical neighbourhood funding process is set out in [Figure 5](#)

Figure 5. Example of a neighbourhood funding process

This process is to occur over the course of the first 9 months of the financial year.

A. Identifying the projects for the Neighbourhood funding list

- Step 1. Council puts forward a list of projects that already have been agreed or identified/consulted upon
- Step 2. Council presents these projects to various community groups
- Step 3. Council publish the list on its website requesting submissions from the public on the projects and suggestions for any further projects they want included
- Step 4. Following a period of 3 months close the consultation and publish the consultation response and final list of priorities. The consultation response will include an appraisal of the weight of public support for each project.

B. Identifying which projects would qualify for which CIL payment.

- Step 1: Draw a 400m radius around each site that has made a CIL payment, which hasn't been allocated. Identify the wards that are located in each of these radii (sometimes this will be more than one)
- Step 2: Identify the wards within which the closest station (train, tube or tram) to the site and the pedestrian and cycle routes that link that station to the site are located
- Step 3: Identify the wards within which the closest neighbourhood parade (or other retail centre that fulfils the same function) and the pedestrian and cycle routes that link that neighbourhood parade to the site, are located
- Step 4: Identify the wards within which the closest Merton controlled publically accessible green space is located to each site and the pedestrian and cycle routes that link that green space to the site, are located
- Step 5: Identify the wards within which the closest publically accessible play space is located to each site and the pedestrian and cycle routes that link that play space to the site, are located
- Step 6: Identify the wards within which the closest LEA primary school is located to each site and the pedestrian and cycle routes that link that school to the site, are located
- Step 7: Identify the total funding that would be available **solely to each ward**. This is to be done by aggregating, on a ward-by-ward basis, the CIL payments that have only been linked to one ward following Steps 1 to 6. Then ask ward councillors what their project preferences would be (out of the list already identified) through a formal consultation process.



Step 8: Identify the funds that are available to **each combination of a group of wards**. As with Step 7 this would be done by aggregating CIL payments that have been linked to same combination of wards following Steps 1 to 6. Ask ward councillors within each group of wards what (as per step 7) their project preference would be.

Step 9: Prepare report to Cabinet/Full Council outlining all the projects identified, the projects that officers consider to be deliverable, and the outcome of the project selection process by Ward councillors. A majority preference for any particular project that is considered deliverable by officers should normally be allocated funding unless the project would not address the demands development places on the area. Where there is no majority preference for one project, then Cabinet/Full Council would decide based on officer recommendations and results of consultation but only where the project is considered deliverable. In making their decision as to the amounts allocated to individual projects, members will need to:

1. consider the weight of public opinion in the 9 months leading up to the date of their decision; and
2. be sure that the projects that they are minded to allocate funding to are:
 - a. deliverable
 - b. value for money
 - c. not in conflict with any relevant statute or council policy; and
 - d. necessary to support development by addressing the demands that development places on the area.

Process for major/contentious planning applications

During the course of the application and pre-application, if through consultation a clear preference for spend of the neighbourhood funding element from this development is established then this needs to be clearly identified in Steps 1 to 4 in Part A and 7 to 9 in Part B above.



12. Further guidance

Further guidance on CIL can be found at on the Planning Portal and in the government's CIL guidance. The respective websites are listed below.

If you have any questions on CIL you can contact planning@merton.gov.uk or call 0208 545 3777.

Planning Portal: www.planningportal.gov.uk/planning/applications/howtoapply/whatto-submit/cil

Government guidance: www.planningportal.gov.uk/uploads/cil/cil_guidance_main.pdf

