Calculating CIL liability – standard cases – worked examples

The amount of CIL that is chargeable for a particular development type is calculated using the following formula:

$$\frac{R \times A \times Ip}{Ic}$$

Where:

R = The rate (£ per square metre) for that development type as set out in the relevant charging schedule;
A = the deemed net area chargeable at rate R;
Ip = the CIL index figure[1] published by the RICS for the calendar year in which the planning permission was granted; and
Ic = the CIL index figure for the calendar year in which the charging schedule containing rate R took effect.

The value of A must be calculated by applying the following formula—

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

where—

G = the gross internal area of the chargeable development;
G_R = the gross internal area of the part of the chargeable development chargeable at rate R;
K_R = the aggregate of the gross internal areas of the following—
(i) retained parts of in-use buildings; and
(ii) for other relevant buildings, retained parts where the intended use following completion of the chargeable development is a use that is able to be carried on lawfully and permanently without further planning permission in that part on the day before planning permission first permits the chargeable development;
E = the aggregate of the following—
(i) the gross internal areas of parts of in-use buildings that are to be demolished before completion of the chargeable development; and
(ii) for the second and subsequent phases of a phased planning permission, the value Ex (as determined under sub-paragraph (7)), unless Ex is negative.

Worked examples are provided below.

[1] In relation to any calendar year before 2020, the figure for 1st November for the preceding calendar year is the national All-in Tender Price Index published by the Royal Institution of Chartered Surveyors;

Example 1. Residential development

This example involves a single development type. There is no re-use or demolition of relevant existing buildings.

For the purpose of this example the following figures have been used:

Residential rate (£ per square metres)	(R)	£200
Gross internal area (square metres)	(G)	1000
Gross internal area of residential development	(G_R)	1000
Retained parts of in-use buildings K_R(i) or retained parts where intended use already permitted K_R(ii)	(K_R)	0
Gross internal area of buildings to be demolished	(E)	0
Index figure for year charging schedule adopted	(I_c)	100
Index figure for year planning permission granted	(I_p)	120

The first step is to calculate the deemed net area:

$$A = G_R - K_R - \left(\frac{G_R \times E}{G}\right) = 1000 - 0 - \left(\frac{1000 \times 0}{1000}\right)$$

$$= 1000 - 0 - 0 = 1000$$

The chargeable amount is therefore:

$$\frac{R \times A \times Ip}{Ic} = \frac{200 \times 1000 \times 120}{100} = \textbf{£240,000}$$

Example 2. Residential development involving some new build, and the retention and demolition of areas of existing in-use buildings

This example involves a single development type.

For the purpose of this example the following figure have been used:

Residential rate (£ per square metres)	(R)	£200
Gross internal area (square metres)	(G)	1000
Gross internal area of residential development	(G_R)	1000
Retained parts of in-use buildings K_R(i) or retained parts where intended use already permitted K_R(ii)	(K_R)	300
Gross internal area of buildings to be demolished	(E)	200
Index figure for year charging schedule adopted	(I_c)	100
Index figure for year planning permission granted	(I_p)	120

The first step is to calculate the deemed net area:

$$A = G_R - K_R - \left(\frac{G_R \times E}{G}\right) = 1000 - 300 - \left(\frac{1000 \times 200}{1000}\right)$$

$$= 1000 - 300 - 200 = 500$$

The chargeable amount is therefore:

$$\frac{R \times A \times Ip}{Ic} = \frac{200 \times 500 \times 120}{100} = \textbf{£120,000}$$

Example 3. Mixed use development involving residential development and office space involving some new build, and the retention and demolition of areas of existing in-use buildings

This example involves two rate types – residential and office. The chargeable amount for each rate is calculated separately and the total combined.

For the purpose of this example the following figure have been used:

Residential

Residential rate (£ per square metres)	(R)	£200
Gross internal area (square metres)	(G)	1600
Gross internal area of residential development	(G_R)	1000
Retained parts of in-use buildings K_R(i) or retained parts where intended use already permitted K_R(ii)	(K_R)	300
Gross internal area of buildings to be demolished	(E)	200
Index figure for year charging schedule adopted	(I_c)	100
Index figure for year planning permission granted	(I_p)	120

Office

Office rate (£ per square metres)	(R)	£50
Gross internal area (square metres)	(G)	1600
Gross internal area of office development	(G_R)	600
Retained parts of in-use buildings K_R(i) or retained parts where intended use already permitted K_R(ii)	(K_R)	100
Gross internal area of buildings to be demolished	(E)	200
Index figure for year charging schedule adopted	(I_c)	100
Index figure for year planning permission granted	(I_p)	120

The deemed net area of **residential development** is:

$$A = G_R - K_R - \left(\frac{G_R \times E}{G}\right) = 1000 - 300 - \left(\frac{1000 \times 200}{1600}\right)$$

$$= 1000 - 300 - 125 = 575 \text{ square metres}$$

Therefore, the chargeable amount for the residential development is therefore:

$$\frac{R \times A \times Ip}{Ic} = \frac{200 \times 575 \times 120}{100} = \textbf{£138,000}$$

The deemed net area of **office development** is:

$$A = G_R - K_R - \left(\frac{G_R \times E}{G}\right) = 600 - 100 - \left(\frac{600 \times 200}{1600}\right)$$

$$= 600 - 100 - 75 = 425 \text{ square metres}$$

Therefore, the chargeable amount for the residential development is therefore:

$$\frac{R \times A \times Ip}{Ic} = \frac{50 \times 425 \times 120}{100} = \textbf{£25,500}$$

The total chargeable amount of the development is therefore:

$$£138{,}000 + 25{,}500 = \textbf{£163,500}$$