

**Colchester Borough Council**  
**Community Infrastructure Levy**  
**Draft Instalment Policy**

**1. Instalment Policy**

Regulation 70 (7) of the Community Infrastructure Levy (Amendment) Regulations 2011 sets a default of full payment of the Levy within 60 days of the commencement of development. The Amendment Regulations also enable a Charging Authority to set an Instalment Policy that allows payments to be spread over longer periods. Colchester Borough Council has concluded that it is reasonable to spread payments instalments according to the scale of development that is proposed.

In accordance with Regulation 69b of The CIL Amendment Regulations, Colchester Borough Council (The Charging Authority) will apply the following Instalment Policy to all development on which CIL is liable.

**2. Residential Development**

The Community Infrastructure Levy will be payable by instalments as follows:-

1. Where the chargeable amount is less than £50,000 (up to 4 dwellings approximately)
  - Full payment will be required within 60 days of the commencement date
2. Where the chargeable amount is £50,000 - £250,000 (4 – 21 dwellings approximately)
  - First instalment representing 25% of the chargeable amount will be required within 90 days of the commencement date; and
  - The second instalment representing 25% of the chargeable amount will be required on completion of 50% of the dwellings; and
  - The third and final instalment representing 50% of the chargeable amount will be required on completion of 75% of the dwellings.
3. Where the chargeable amount is over £250,000 (more than 21 units)
  - First instalment representing 25% of the chargeable amount will be required within 90 days of the commencement date;
  - Second instalment representing 25% of the chargeable amount will be required on completion of 25% of the dwellings; and
  - Third instalment representing 25% of the chargeable amount will be required on completion of 50% of the dwellings; and

- The fourth and final instalment representing 25% of the chargeable amount will be required on completion of 75% of the total number of dwellings.

Note: the percentage of dwellings will be rounded up where exact dwelling numbers are not possible

### **3. Other Developments paying CIL**

Retail developments are the only other type of use proposed to pay CIL at the current time. By their nature they do not lend themselves to the same approach used for residential development. Therefore it is proposed that phasing will be based on timescales and still related to the size of the development. The charge will be payable by instalments as follows:-

1. Where the chargeable amount is less than £50,000;
  - Full payment will be required within 60 days of the commencement date
2. Where the chargeable amount is £50,000 - £250,000;
  - First instalment representing 50% of the chargeable amount will be required within 60 days of the commencement date; and
  - The second instalment representing 50% of the chargeable amount will be required prior to completion/opening of any part of the development.
3. Where the chargeable amount is over £250,000;
  - First instalment representing 25% of the chargeable amount will be required within 60 days of the commencement date;
  - Second instalment representing 25% of the chargeable amount will be required within 120 days of the commencement date;
  - Third and final instalment representing 50% of the chargeable amount will be required within 360 days of the commencement date or prior to completion/opening of any part of the development, whichever is the sooner.

In calculating individual charges for the levy, the Council will be required by the Regulations to apply an annually updated index of inflation to keep the levy responsive to market conditions. The index will be the national All-In Tender Price Index of construction costs published by the Building Cost Information Service of The Royal Institution of Chartered Surveyors.