

Possible consequences of failing to follow the CIL payment procedure

To ensure that the CIL collection process runs smoothly, collecting authorities have been given a broad set of enforcement powers, including surcharges, interest, stop notices and in extreme cases asset seizure and committal to prison.

It is for the collecting authority to determine what, if any, enforcement action should be taken to ensure payment.

Surcharges and Interest

The following table summarises the types of surcharge and/or interest that may be applied in the event of not following the CIL payment procedure or failure to make the correct payment.

	Types of Surcharge	Amount	Trigger and details
1	Failure to assume liability before commencement (Reg.80)	£50 on each person liable to pay CIL	a) chargeable development has started; AND b) nobody has assumed CIL liability.
2	Apportionment of liability (Reg.81)	£500 on each material interest and loss of payment rights	a) chargeable development has started; AND b) nobody has assumed CIL liability and there is more than one material interest in the land.
3	Failure to submit a notice of chargeable development (Reg.82)	20% of chargeable amount payable, up to £2,500 max	a) chargeable development starts before the collecting authority has received a valid notice of chargeable development where planning permission is granted by a general consent.
4	Failure to submit a commencement notice (Reg.83)	20% of chargeable amount payable, or £2,500 whichever is the lower	a) chargeable development starts before the collecting authority has received a valid commencement notice;
5	Failure to notify a disqualifying event (Reg.84)	20% of chargeable amount payable, or £2,500 whichever is the lower.	Where a person who is required to notify the relevant authority of a disqualifying event fails to do so before the end of the period of 14 days beginning with the day on which the disqualifying event occurs, e.g. relief-related.
6	Late payment (Regs.85 & 87)	5% of overdue amount, starting at £200 max (Can be imposed on 3 occasions, i.e. when 30-day period, 6-month period and 12-month period ends, counting from the day when debt is initially due) and late	When amount A is not received in full after the end of the 30-day period beginning with the day on which payment of A is due.

payment interest at 2.5% above the Bank of England base rate.

7	Failure to comply with an information notice (Reg.86)	20% of relevant amount, up to £1,000 max	Where a person fails to comply with any requirement of an information notice before the end of the period of 14 days beginning with the day on which the notice is served.
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Recovery of CIL Charges

In cases of persistent non-compliance, collecting authorities may take more direct action to recover the amount due.

1. Stop Notices and Injunctions

Where development has started and the levy has not been paid and it is considered expedient to stop the development from progressing any further until payment is made, a Stop Notice may be used. A CIL stop notice prohibits development from continuing until payment is made. Continuing to develop in the presence of such a notice is a criminal offence, punishable by potentially unlimited fines.

Before serving a CIL stop notice however, a collecting authority will first issue a warning to the person liable to pay the amount, the land's owners, occupiers and all those who the collecting authority will be affected by the notice. It will also post a warning on the site itself. This warning will state that continued non-payment may result in a CIL stop notice being issued. It will also set out the amount overdue and the number of days after which a CIL stop notice may be served if payment continues not to be made. If payment is not made by the end of this period, a collecting authority may serve a stop notice which will prohibit development with immediate effect immediately until payment of the outstanding amount is made.

As an alternative to using the Stop Notice procedure, a collecting authority can seek a court injunction preventing the commencement or continuation of the development where there is an actual or apprehended breach of a Stop Notice.

2. Applying for a Liability Order

The collecting authority may, after issuing a reminder notice to the party liable for the levy, apply to a magistrates court to make a liability order. Once the Court is satisfied that the amount is payable and have made the liability order, the authority can proceed to recover the amount due through seizing and selling assets of the liable party.

3. Distress (asset seizure)

When you fail to pay CIL a collecting authority may seek a court's consent to seize and sell your assets to recover the money due. These assets may include any land you hold. The collecting authority must send you notice of its intention to do so beforehand.

4. Commitment to Prison

Where all of the above options are exhausted, and the authority is unable to recover the amounts due, they may ask the Court to commit the debtor to prison. To do this, the

collecting authority must be able to demonstrate to the court that it has been unable to recover the CIL amount due by seizing and selling your assets and land.

5. Applying to Court for a Charging Order following procurement of Liability Order

Where a liability order is made and more than £2000 is still owed, then an authority can ask the Court to serve a charging order on relevant person(s). The purpose of this order is to ask the debtor(s) to secure the outstanding amount.

6. Insolvency Action can be considered.

7. Recovery in a court of competent jurisdiction

As an alternative to recovery where CIL is not paid and a Liability Order has not been made, the collecting authority can recover the amount in a Court ('any court which has the relevant power', which could in this case include the 'small claims' route) of competent jurisdiction.

8. Enforcing the Local Land Charge

Collecting authorities can secure payment by way of a charge over the land, especially where development has been stopped, as an alternative to pursuing distress of goods or a charging order against an individual. Collecting authorities can ask the Court (County Court) to enforce a local land charge.

Further information

CIL payment enforcement procedures are set out in Part 9 of the [Community Infrastructure Regulations 2010 \(as amended\)](#).

Guidance on the Community Infrastructure Levy, including the collection and enforcement process, can be found on the [Planning Practice Guidance website](#).

In some circumstances you may be able to appeal against a surcharge that has been imposed or against a Community Infrastructure Levy Stop Notice. Please see the [Governments Guidance on CIL appeals](#) for further information.

Further information, including the forms required to be submitted as a part of the CIL collection process can be found on the [Planning Portal website](#).