

# Community Infrastructure Levy (CIL) Guidance for Parish and Town Councils

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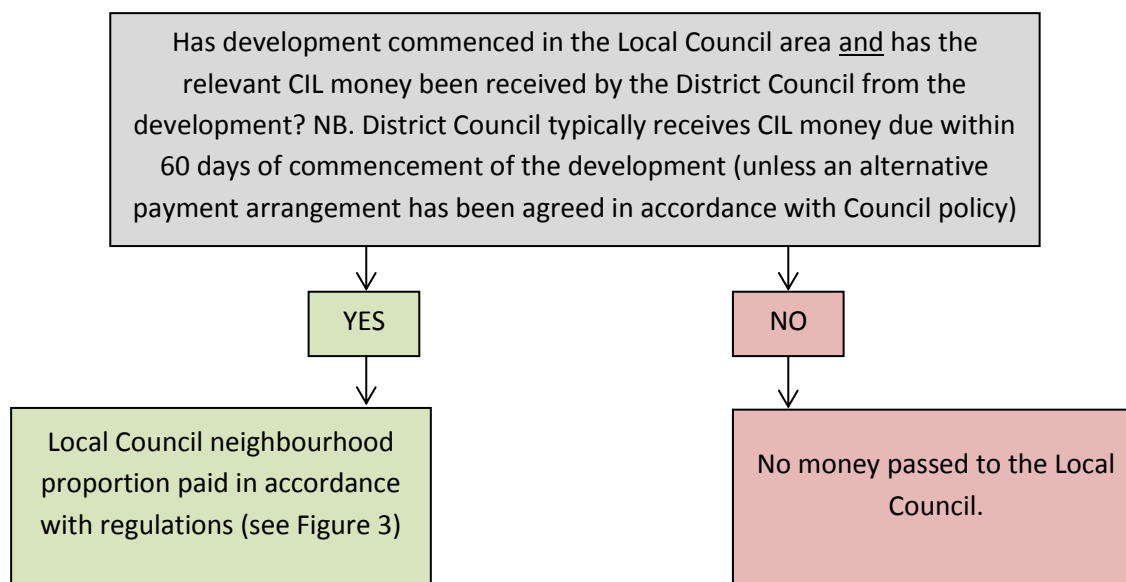
## 1. Introduction

- 1.1 The information contained within this guide is intended to assist Town and Parish Councils within Cannock Chase District to understand their responsibilities relating to the Community Infrastructure Levy (CIL). In the guide Local Council is used to refer to both Parish and Town Councils. Further information is available on the Councils Planning Policy website<sup>1</sup> and advice is available from the Cannock Chase Council Planning Policy Team (please see contact details at the end of this guidance).

## 2. Overview

- 2.1 CIL is a new levy that local authorities can charge on developments in their area to ensure sustainable development overall i.e. facilities and services in the area have capacity to keep up with growth in the District. The adopted CIL Charging Schedule sets out the rate per square metre for chargeable developments which is payable on commencement of Permitted Development as well as Planning Permission development.<sup>2</sup> A portion of CIL income is paid to Local Councils to be spent by the Local Councils on supporting development in the area (referred to as the 'neighbourhood proportion'). The Local Council must report on the CIL received and spent each year. The remaining CIL income is spent by the District Council. The processes of CIL income generation, payments to Local Councils and spending and reporting are illustrated in Figures 1 and 2 below.

**Figure 1. Overview of when neighbourhood proportion payments triggered**



<sup>1</sup> [www.cannockchasedc.gov.uk/planningpolicy](http://www.cannockchasedc.gov.uk/planningpolicy)

<sup>2</sup> <https://www.cannockchasedc.gov.uk/residents/planning/planning-policy/community-infrastructure-levy>

**Figure 2. Overview of key Local Council reporting and spending dates**

Date/Milestone	Action
<b>End of October and April each financial year</b>	District Council transfer Neighbourhood Proportion to Local Council
<b>Any time</b>	Local Council allocate/spend CIL income
<b>After 31<sup>st</sup> March every year</b>	Local Council prepare and audit annual CIL financial report
<b>By end of September every year</b>	Local Council submit CIL financial report to District Council (Planning Policy team) <sup>3</sup>
<b>By 31<sup>st</sup> December every year</b>	Local Council and/or District Council publish CIL financial report on web sites. Local Council must submit copy of its financial report to the District Council (if not already done so as per above).
<b>Annually</b>	If Local Council doesn't spend/allocate CIL income within 5 years then the District Council may issue a repayment notice. If a Local Council has inappropriately spent CIL income then the District Council will issue a repayment notice. Before any notices are issued the District Council will engage with the Local Council to seek to remedy any issues arising.

<sup>3</sup> This is not a legal requirement, however it can be useful for the District Council to review the reports prior to publication in order to ensure consistency between Local Council and District Council financial monitoring

### 3. How does CIL affect the Parish/Town Council (Local Council)?

- 3.1 A proportion of CIL payments collected by the District are passed on to the Local Council. The Local Council have a duty to spend CIL income on providing, improving, replacing, operating or maintaining infrastructure that supports the development of the Local Council area or anything else concerned with addressing the demands that development places on the area.<sup>4</sup> The Planning Act 2008 (as amended) states that infrastructure includes:
- Roads and other transport facilities
  - Flood defences
  - Schools and other educational facilities
  - Sporting and recreational facilities
  - Open spaces
- 3.2 The Local Council must publish a report on their CIL income and expenditure every year. The majority of CIL income will be received as cash, however, the District Council may consider accepting land or infrastructure as the CIL payment for a development in lieu of some or all of the CIL charge due if this would help to deliver facilities. However, the relevant percentage of the cash value of levy receipts must be passed on to a parish, town or community council in cash. CIL payments (land and cash) are due on the commencement of development.

### 4. How much CIL money will the Parish/Town Council (Local Council) receive?

- 4.1 The amount passed on depends on the income received by the District Council which in turn depends on whether there has been development granted and commenced in the Local Councils' area, and if all or any part of that development is granted exemption or relief from some / all of the CIL charge. The amount is also dependent on the presence of a Neighbourhood Plan and the number of dwellings in the area. Figure 3 below summarises the payment scenarios and provides examples.

**Figure 3. Overview of CIL monies passed to Local Councils**

Parish/Town council	Neighbourhood plan	Levy payable to parish	Example
✓	✓	25% uncapped, paid to parish	£10,000 received from commenced developments in the Parish area. £2,500 passed to Parish.
✓	✗	15% capped at £100/existing Council tax dwelling, paid to parish	£10,000 received from commenced developments in the Parish area. 500 existing dwellings in Parish. Cap is therefore £50,000 for any one financial year. £1,500 can be passed to Parish.

<sup>4</sup> Local Councils have some more discretion than the District Council in being able to spend their CIL income on matters not purely related to infrastructure. The District Council may only spend its CIL income on infrastructure.

- 4.2 If no income has been received by the District Council for development commenced in the Local Councils' area then no CIL payments are passed on.
- 4.3 The Local Council may choose not to receive CIL payments and must notify the District Council of this decision. In such cases the District will spend the CIL income on the Local Councils' behalf, in consultation with the Local Council.
- 4.4 Where development straddles the boundaries of parish, town or community councils' administrative areas, each council receives a share of the levy which is proportionate to the gross internal area of the development within their administrative area.

## 5. When and how will the Parish / Town Council (Local Council) receive CIL monies?

- 5.1 CIL payments to Local Councils' are paid twice a year for the preceding 6 months' income. CIL income received between 1<sup>st</sup> April and 30<sup>th</sup> September will be paid by 28<sup>th</sup> October and CIL income received between 1<sup>st</sup> October and 31<sup>st</sup> March will be paid by 28<sup>th</sup> April. The Local Council may agree an alternative timetable for CIL payments with the Planning Policy team, if necessary. The District Council will make direct contact via letter/email with each Local Council due to receive CIL income at the relevant payment points.
- 5.2 The Planning Policy and Finance teams will record income in each parish as it is received and will pay each Local Council 15% or 25% respectively of the cumulated amount.

## 6. What does the Parish/Town Council (Local Council) need to do?

### Spending

- 6.1 The CIL Regulations 2010 (as amended) state that the Local Council must spend the CIL income they received from the District on:
- The provision, improvement, replacement, operation or maintenance of infrastructure (see above definition); or
  - Anything else that is concerned with addressing the demands that development places on an area.
- 6.2 Providing CIL is spent in accordance with the above CIL monies may be used to provide seed or match funding with other income streams and / or may be spent collaboratively with other local councils or other providers to make the most efficient use of funding to benefit the community. The District Council can advise Local Council's on the spending of CIL monies and would welcome discussions on any opportunities to combine Local Council CIL funds with District Council CIL funds in order to finance projects. Please contact the Planning Policy team for further information. The Local Council may wish to consider producing their own Infrastructure Delivery Plan to help guide funding

decisions, similar to the District Council Infrastructure Delivery Plan. This identifies the range of infrastructure projects that are either essential or desirable in order to support future developments across the District.

## Reporting

- 6.3 The Local Council must record all carried over CIL, CIL receipts and expenditure for each year. The Local Council must prepare an annual CIL report for each financial year (the 12 months ending 31st March) they receive CIL detailing:
- CIL receipts
  - CIL expenditure
  - A summary of items on which CIL has been spent
  - The amount spent on each item.
  - The amount of any CIL repaid following a repayment notice.
  - The amount of CIL retained at the end of the year.
  - The amount of CIL from previous years retained at the end of the year.
- 6.4 A template for CIL is included at Appendix A. Examples of recently published Local Council reports are available to view on the Planning Policy website. The Local Council must publish the report on their website or on the District Council website if the Local Council doesn't have its own website, and the Local Council must send a copy of the report to the Planning Policy Team. Local Council reports should be received no later than the end of September following the reported year to enable the District Council to review and publish all Local Council reports together with the Districts reports by the statutory deadline of 31<sup>st</sup> December.

## Other

- 6.5 The Local Council must notify the District Council as soon as possible if it decides not to receive CIL. When the Local Council become aware of development having commenced in their area they may want to notify the Planning Policy team to help with monitoring. Local Councils should consider how their statutory powers on spending affect their CIL expenditure decisions e.g. whether or not they have the General Power of Competence (GPC). Where a Local Council does not have a GPC, this will restrict the use of CIL funds to infrastructure or other matters which it has a statutory power to provide, maintain or improve.

## 7. What if the Parish/Town Council (Local Council) mis-spend or do not spend their CIL income?

- 7.1 If the Local Council mis-spends CIL income, i.e. if it has not spent CIL in accordance with the CIL Regulations the District Council will send the Local Council a repayment notice for the mis-spent funds. If the Local Council does not spend their CIL within 5 years of receipt the District Council may send the Local Council a repayment notice.<sup>5</sup> The Local Council must repay the amount specified in the notice to the District. In such cases the District would then spend the CIL income on their behalf to support the development of the Local Council area, in consultation with the Local Council.
- 7.2 However, any such action will be discussed well in advance with the relevant Local Council and the context of the Local Council will be taken into account e.g. if the Local Council are allocating their CIL income to a particular project for which they are accumulating funds before spending. If the Local Council is unable to repay the amount specified in the repayment notice the District Council will recover the amount from future CIL income the Local Council are due to receive.

## 8. How does CIL affect non-parished areas?

- 8.1 The CIL Regulations 2010 (as amended) set out the procedures for payments to 'local councils' which applies to Town and Parish Council's only. In areas where there is no Local Council the District will spend the neighbourhood proportion of CIL income collected within the non-parished area on behalf of the community in consultation with the Ward Members (in accordance with approved protocols as set out in the 23/07/15 Cabinet Report 'Cannock Chase Community Infrastructure Levy Funding Decisions Protocol').

## 9. Further Information

- 9.1 If you have any queries in relation to this Guidance or other CIL related matters please contact the Planning Policy Team on:
- Email [planningpolicy@cannockchasedc.gov.uk](mailto:planningpolicy@cannockchasedc.gov.uk)
  - Write to Planning Policy at 'Planning Policy, Cannock Chase District Council, Civic Centre, Beecroft Road, Cannock, WS11 1BG'
  - Telephone 01543 462621 and ask for Planning Policy
- 9.2 Further guidance in relation to the Community Infrastructure Levy is available in the in the National Planning Practice Guidance at <https://www.gov.uk/guidance/community-infrastructure-levy>

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<sup>5</sup> The issuing of a repayment notice will be considered on a case by case basis by the Cannock Chase District Councils' Cabinet.



## Appendix A – Example Local Council Financial Report

### Community Infrastructure Levy (CIL) Annual Financial Report (**insert year**) to be published by 31 December **insert year**

Cannock Chase Council (CCDC – the Charging Authority) introduced CIL charging schedule on the 01 June 2015. Regulation 62A of the Community Infrastructure Regulations 2010 (as amended) (CIL Regulations) requires **insert Local Council name** to produce an annual report for each financial year setting out the amount of CIL receipts received; spending of CIL receipts; and the amount of CIL retained by the Council for future spend. This report covers the period from **insert year**.

CIL REGULATION REFERENCE	REPORTING CRITERIA	VALUE (£)/ PROJECT
62A(2) (a)	Total CIL receipts for the reported year	£
62A(2) (b)	Total CIL Expenditure for the reported year	£
62A(2) (c)	Summary details of CIL expenditure during the reported year including <ul style="list-style-type: none"> <li>i) The items to which CIL has been applied (see CIL Expenditure table below)</li> <li>ii) The amount of CIL expenditure on each item (see CIL Expenditure table below)</li> </ul>	
62A(2) (d)	Notices received in accordance with regulation 59E <sup>6</sup> including <ul style="list-style-type: none"> <li>i) The total value of CIL receipts subject to notices served in accordance with regulation 59E during the reported year</li> <li>ii) The total value of CIL receipts subject to a notice served in accordance with regulation 59E in any year that has not been paid to the relevant charging authority by the end of the reported year</li> </ul>	£ £
62A(2) (e)	The total amount of <ul style="list-style-type: none"> <li>i) CIL receipts for the reported year retained at the end of the reported year</li> <li>ii) CIL receipts from previous years retained at the end of the reported year</li> </ul>	£ £

#### CIL Expenditure Itemised

Item/Purpose	Amount spent

<sup>6</sup> Recovery of CIL receipts from a Parish Council by the District Council due to the receipts not being spent within 5 years or being spent inappropriately (in accordance with Regulation 59C).