

<b>Report of:</b>	<b>Head of Economic Prosperity</b>
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<b>Key Decision:</b>	<b>No</b>
<b>Report Track:</b>	<b>Cabinet: 08/11/18</b>

**CABINET****8 NOVEMBER 2018****CANNOCK CHASE COMMUNITY INFRASTRUCTURE LEVY (CIL) FINANCIAL YEAR REPORT AND CIL GUIDANCE FOR PARISH AND TOWN COUNCILS****1 Purpose of Report**

- 1.1 To note the CIL financial year report 2017/18 and to note the current position in relation to the allocation of CIL funds.
- 1.2 To consider the allocation of 5% of CIL funds received annually to administrative expenses.
- 1.3 To consider the publication of the CIL Guidance for Parish and Town Councils.

**2 Recommendations**

- 2.1 That the CIL financial year report be noted.
- 2.2 That the allocation of 5% of CIL funds received annually to administrative expenses is approved.
- 2.3 That the publication of the CIL Guidance for Parish and Town Councils is approved and that any minor updates required in the future (to reflect regulatory changes) are delegated to the Head of Economic Prosperity.

**3 Key Issues and Reasons for Recommendation**

- 3.1 The Council approved the CIL Charging Schedule and Regulation 123 List of infrastructure projects eligible to receive funding at its meeting on 15/04/2015. CIL came into effect in relation to relevant chargeable development on 01/06/2015.

- 3.2 CIL is intended to provide a funding stream for infrastructure needed to support the policies and proposals in the adopted Local Plan. It will partly replace funding previously obtained via Planning Obligations (Section 106 agreements and Unilateral Undertakings) which have become more limited in scope in relation to pooling of funds from 5 or more obligations as a result of the Community Infrastructure Levy Regulations 2010 (as amended) (the CIL Regulations).
- 3.3 The Council is legally required to produce a financial year report on CIL receipts and spend in accordance with the CIL Regulations. This is the third financial report since the adoption of CIL and it provides a summary of CIL receipts and expenditure for the financial 2017-18.
- 3.4 The CIL Regulations allow CIL charging authorities to utilise up to 5% of their CIL receipts for administrative purposes. This report seeks approval for this maximum 5% to be allocated each year in order to provide certainty of funding for CIL related administration.
- 3.5 The CIL Regulations require the District Council to pass a proportion of CIL receipts received from developments within Parish and Town Council areas to those relevant Councils. As the rate of these transfers is increasing it is considered appropriate to provide specific and publicly available guidance on the receipt, spending and monitoring of CIL monies.

## **4 Relationship to Corporate Priorities**

- 4.1 This report supports the Council's Corporate Priorities as follows:
- **Promoting Prosperity:** CIL supports investment in infrastructure which in turn encourages investment in housing, town centres and employment opportunities and skills in the District.
  - **Community Wellbeing:** CIL supports investment in infrastructure which in turn can help encourage healthier living opportunities and safer, more attractive environments in the District.

## **5 Report Detail**

### Financial report overview

- 5.1 The Council's CIL financial year report is provided at Appendix 1. It reports on the period from 1 April 2017 – 31 March 2018. In accordance with the CIL Regulations the Council must report on a stipulated set of figures. Regulation 62A sets these out in detail and they include the level of CIL receipts collected; the level of CIL expenditure within the reporting year; the items to which that expenditure has been allocated to; levels of neighbourhood fund expenditure; and the total amount of CIL receipts retained following expenditure. The Council should publish this information by the 31<sup>st</sup> December following the end of the reporting year.

- 5.2 The financial year report outlines that £211,434 in CIL receipts was collected in 2017/18. This is a notable increase on the level of CIL receipts for 2016-17 (£91,728) and reflects the nature of CIL i.e. schemes are only liable to pay CIL once they have commenced development, so many sites which obtained planning permission from 2015 onwards (when CIL was adopted) are now being implemented and generating CIL receipts. In addition, approximately 30% of the CIL receipts for 2017/18 are from the Mill Green development (first stage payment of around £67,000). Of the £211,434 received in 2017/18 the Council has retained £169,272 for future expenditure on infrastructure (this totals £185,478 when neighbourhood funds applicable to the non parish areas are included).
- 5.3 CIL expenditure on infrastructure totals £12,376 in 2017/18 which has been allocated to the Cannock Chase Special Area of Conservation (SAC) Mitigation Measures – a project identified on the CIL Regulation 123 list (which identifies a range of projects eligible to receive CIL funding). The Cannock Chase SAC is an internationally protected ecological site and the approach to ‘top slicing’ of CIL funds to contribute towards projects that ensure no harm arises to this protected site as a result of additional housing development has been previously agreed by Cabinet (see 25/07/13 and 20/11/14). There is a package of measures which will ensure no harm arises to the SAC as a result of additional recreational pressures from the residents of new housing developments within the District and to ensure compliance with Conservation of Habitats and Species Regulations 2010.
- 5.4 A total of £3,008 has been passed to parish councils in 2017/18, representing 15% of the CIL receipts received in those parishes (Bridgtown Parish Council, Heath Hayes and Wimblebury Parish Council, Hednesford Town Council and Norton Canes Parish Council). This is required under Regulation 59A of the CIL Regulations. The transfer of neighbourhood funds to parishes from the second half of the 2017/18 financial year occurs post 31 March 2018. Therefore these transfers are not included in the 2017/18 report. A total of £12,224 was transferred in April 2018 to Brindley Heath Parish Council, Cannock Wood Parish Council, Hednesford Town Council, Norton Canes Parish Council and Rugeley Town Council. The total CIL receipts retained will therefore be less following the transfer of these funds. This will be reflected in the financial report for 2018/19.
- 5.5 £16,206 has been retained as neighbourhood funds for non-parish areas in 2017/18 pending further consultation with the local community regarding its spend (Cannock East Ward – £10,164, Cannock South Ward – £3,746, Cannock West Ward – £772, Rawnsley Ward – £1,524). This represents 15% of CIL receipts received within those Wards. This is in accordance with Regulation 59F of the CIL Regulations and the Council’s approved CIL allocations process (see Cabinet Report 23/07/15).
- 5.6 £10,572 is suggested for allocation for expenditure on CIL administrative expenses in this financial year (representing 5% of the total CIL receipts as permitted in the CIL Regulations) (see further detail below at 5.11).

- 5.7 Taking into account receipts retained from previous years, the total CIL receipts retained by the Council as at end of 2017/18 for future expenditure on infrastructure is £242,570 (note this figure is £266,444 if the neighbourhood funds for the non-parish areas retained at present are included).
- 5.8 This CIL financial year report will be incorporated into the Council's wider Annual Monitoring Report for the Local Plan (Part 1), for which there is already delegated authority to publish with the agreement of the Head of Economic Prosperity and Portfolio Leader for Economic Development and Planning (Cabinet Report 21/04/16).
- 5.9 A previous report on the funding decisions protocol (Cabinet Report 23/07/15) set out that the allocation of CIL funds process would not begin until a sufficient level of receipts had been received. Given the overall level of receipts received to date it is not considered appropriate to commence the allocation of funds process at present<sup>1</sup>. Instead the funds have been retained (minus Cannock Chase SAC mitigation measures expenditure, neighbourhood fund allocations for parishes, and administrative expenses as set out above) for future spending.
- 5.10 An update (via letter and/or email) will be sent to all District Councillors and potential infrastructure providers of items on the current Regulation 123 list (including for example the Environment Agency, Staffordshire County Council) advising them of the CIL receipts received to date and the intention not to undertake the allocation of CIL funds in 2018/19 given the level of receipts retained to date. Contact will also be made with the relevant Ward Members for the non parish areas in receipt of CIL neighbourhood funds to ascertain how those communities wish to see the CIL receipts allocated (as per the Council's approved allocations process- see Cabinet Report 23/07/15).
- 5.11 The level of receipts for 2018-19 will be kept under review and the timing of the commencement of the allocations process will be considered in view of the level of receipts received. Further updates will be provided to Cabinet advising of the latest position.

#### Allocation of CIL receipts for administrative expenses

- 5.12 As per Regulation 61 of the CIL Regulations the Council is able to utilise up to 5% of CIL receipts received each year for administrative expenses incurred by it in connection with CIL.
- 5.13 The implementation of CIL to date in the District has generated additional administrative tasks and utilised associated officer time e.g. issuing of appropriate CIL related notices, calculating CIL liabilities, dealing with more complex cases, including enforcement measures. This is likely to continue and further officer resources will be required when the Council begins to implement the allocation of CIL funds in the near future. The Councils implementation of its CIL regime would benefit from specialist software upgrades and additional officer resources moving forward. A certainty of additional funding via CIL receipts on an ongoing basis could assist in delivering these improvements (clearly

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<sup>1</sup> Almost half of the projects identified on the CIL Regulation 123 list are in excess of £200,000 in costs.

depending upon the level of receipts actually received). Therefore, it is recommended that approval be given to annually allocating the 5% of CIL receipts on CIL administrative expenses. Further work will need to be undertaken by officers to identify how best to utilise the administrative funding and a business case will need to be prepared outlining options for implementing the CIL regime going forward.

#### CIL Guidance for Parish and Town Councils

- 5.14 As outlined in paragraph 5.4 the CIL Regulations require the District Council to pass a proportion of CIL receipts received from developments within Parish and Town Council areas to those relevant Councils.
- 5.15 CIL Regulation 62A (2010, as amended) requires Parish and Town Councils to submit an annual financial report to the District Council detailing their CIL receipts and expenditure. The Council has worked with the relevant Parish and Town Councils to ensure compliance with the regulations since CIL was adopted by the Council in 2015.
- 5.16 As the rate of CIL transfers to Parish and Town Councils is increasing it is considered appropriate to provide clear, publicly available guidance on the receipt, spending and monitoring of CIL monies. The Council has already published CIL guidance for landowners and developers. This guidance for Parish and Town Councils would help complement this.
- 5.17 The Guidance (see Appendix 2) sets out how much CIL will be transferred to Parish/Town Councils and when it is transferred; how those Councils can spend that CIL income; how those Councils need to report on their CIL income and expenditure; under what circumstances this CIL money may be recouped by the District Council; and further advice which is available from the District Council. This guidance largely reflects the CIL Regulation requirements and existing arrangements that have been established with the Parish and Town Councils in implementing CIL locally.
- 5.18 It is recommended that the CIL Guidance for Parish and Town Councils is adopted, and that any minor updates required in the future (to reflect regulatory changes) are delegated to the Head of Economic Prosperity.

## **6 Implications**

### **6.1 Financial**

The CIL receipts referred to in the body of the report are held in the Council reserves pending future allocation to Regulation 123 list projects.

### **6.2 Legal**

Regulation 62 of the CIL Regulations requires the Council to prepare an annual financial report detailing its CIL receipts and expenditure and thereafter to publish the report on the Council's website.

**6.3 Human Resources**

None.

**6.4 Section 17 (Crime Prevention)**

None.

**6.5 Human Rights Act**

None.

**6.6 Data Protection**

None.

**6.7 Risk Management**

A risk assessment has been undertaken. The main area of risk relates to non compliance with the CIL Regulations, however this has been minimised through the production of this annual report and guidance which has been produced in fulfilment of the Council's Duty in that regard.

**6.8 Equality & Diversity**

None.

**6.9 Best Value**

None.

**7 Appendices to the Report**

Appendix 1: CIL Financial Report 2017-18

Appendix 2: CIL Guidance for Parish and Town Councils (2018)

**Previous Consideration**

Update on Cannock Chase Community Infrastructure Levy (CIL) Financial Year Report	Cabinet	16/11/17
Update on Cannock Chase Community Infrastructure Levy (CIL) Financial Year Report and Local CIL Guidance	Cabinet	15/12/16
Local Plan (Part 1) Authority Monitoring Report	Cabinet	21/04/16
Cannock Chase Community Infrastructure Levy Funding Decisions Protocol	Cabinet	23/07/15
Cannock Chase Community Infrastructure Levy Charging Schedule	Council	15/04/15

Cannock Chase Special Area of Conservation Partnership Memorandum of Understanding and Permission to Spend on Mitigation Projects	Cabinet	20/11/14
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Interim Planning Policy on Planning Obligations Relating to Impact of New Residential Development on the Cannock Chase Special Area of Conservation	Cabinet	25/07/13
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**Background Papers**

- Planning Act 2008
- Community Infrastructure Levy Regulations 2010,2011, 2012, 2014, 2015

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Appendix 1

**Community Infrastructure Levy (CIL) Annual Financial Report (2017/18) to be published by 31<sup>st</sup> December 2018**

Cannock Chase Council (CCDC- the charging authority) introduced its CIL charging schedule on the 1<sup>st</sup> June 2015. Regulation 62 of the Community Infrastructure Levy Regulations 2010 (as amended) (CIL Regulations) requires the Council 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 1<sup>st</sup> April 2017-31<sup>st</sup> March 2018. *Note-amounts are rounded to the nearest £1.*

CIL Regulation Reference	Reporting Criteria	Value (£)/ Project (see also explanatory notes)
62(4)(a)	Total CIL receipts for the reported year	£211,434
62(4)(b)	Total CIL expenditure for the reported year	£22,948
<b>62(4)(c)</b>	<b><i>Summary details of CIL expenditure during the reported year other than in relation to CIL to which regulation 59E or 59F applied ( i.e. excludes funding for local priorities passed to local councils or in unparished areas) including:</i></b>	
62(4)(c)(i)	The items of infrastructure to which CIL (including land payments) has been applied.	Cannock Chase SAC
62(4)(c)(ii)	The amount of CIL expenditure on each item	£12,376
62(4)(c)(iii)	The amount of CIL applied to repay money borrowed, including any interest, with details of the infrastructure items which that money was used to provide including any interest, with details of the infrastructure items which that money was used to provide (wholly or in part)	£0
62(4)(c)(iv)	The amount of CIL applied to administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation	£10,572 (5%)
<b>62(4)(ca)</b>	<b><i>The amount of CIL passed to:</i></b>	
62(4)(ca)(i)	Any local council under regulation 59A or 59B	£3,008
62(4)(ca)(ii)	Any person under regulation 59(4)	£0

CIL Regulation Reference	Reporting Criteria	Value (£)/ Project (see also explanatory notes)
<b>62(4)(cb)</b>	<b><i>Summary details of the receipt and expenditure of CIL to which regulation 59E or 59F applied during the reported year (i.e. funding for local priorities passed to local councils and recovered or funding for unparished areas) including:</i></b>	
62(4)(cb)(i)	The total CIL receipts that regulations 59E and 59F applied to.	£16,206
62(4)(cb)(ii)	The items to which the CIL receipts to which regulations 59E and 59F applied have been applied including the amount of expenditure on each item ( (cb)(iii) )	£0 N/A
<b>62(4)(cc)</b>	<b><i>Summary details of any notices served in accordance with regulation 59E (recovery of funding passed to parishes), including:</i></b>	
62(4)(cc)(i)	The total value of CIL receipts requested from each local council	£0
62(4)(cc)(ii)	Any funds not yet recovered from each local council at the end of the reported year	£0
<b>62(4)(d)</b>	<b><i>The total amount of:</i></b>	
62(4)(d)(i)	CIL receipts for the reported year retained at the end of the reported year other than those to which regulation 59E and 59F applied	£169,272
62(4)(d)(ii)	CIL receipts from previous years retained at the end of the reported year other than those to which regulation 59E or 59F applied	£73,298
62(4)(d)(iii)	CIL receipts for the reported year to which regulation 59E and 59F applied retained at the end of the reported year	£16,206
62(4)(d)(iv)	CIL receipts from previous years to which regulation 59E and 59F applied retained at the end of the reported year	£7,668
<b>62(4)(e)</b>	<b><i>In relation to any infrastructure payments accepted by the charging authority</i></b>	
62(4)(e)(i)	The items of infrastructure to which the infrastructure payments relate	N/A
62(4)(e)(ii)	The amount of CIL to which each item of infrastructure relates	£0

## Explanatory notes

### Regulation 62(4) (a) Total CIL receipts

CIL receipts for 2017/18 total £211,434. Of this, £1,849 was receipts from surcharges (where CIL procedures have not been followed, the Council can apply surcharges). The Council did not receive any CIL payments in land this year.

### Regulation 62(4) (b) Total CIL Expenditure

Total CIL expenditure for the reporting year is £22,948. This consists of expenditure upon infrastructure projects and administrative expenses (see further detail below).

### Regulation 62(4) (c) Summary details of CIL expenditure

- The only CIL expenditure in this reporting year on Regulation 123 list infrastructure items has been on Cannock Chase Special Area of Conservation (SAC) mitigation measures (£12,376). As per the locally agreed approach to the funding of this item 'top slicing' of all CIL receipts related to residential development within the District automatically takes place to be allocated against this project.
- £10,572 of CIL funds have been allocated for administrative expenses in 2017/18 (up to 5% is allowed as per Regulations).

### Regulation 62 (4) (ca-cc) CIL funds passed to local councils, recovered from local councils and applied to non-parish areas

- CIL expenditure in relation to neighbourhood funds takes place automatically, as per CIL Regulations. This stipulates that 15% of CIL receipts (excluding surcharges) from local areas (with no neighbourhood plan) should be transferred to the relevant parish/town council or in non parish areas consultation undertaken with the local community. This increases to 25% in areas with a neighbourhood plan.
- Funds have been transferred to Bridgtown Parish Council, Heath Hayes and Wimblebury Parish Council, Hednesford Town Council and Norton Canes Parish Council in this reporting year. These funds total £3,008. The transfer of neighbourhood funds to Parishes from the second half of the 2017/18 financial year occurs post 31<sup>st</sup> March 2018. Therefore these transfers are not reported here. A total of £12,224 was transferred in April 2018 to Brindley Heath Parish Council, Cannock Wood Parish Council, Hednesford Town Council, Norton Canes Parish Council and Rugeley Town Council. The total CIL receipts retained will therefore be less following the transfer of these funds. This will be reflected in the financial report for 2018/19.
- In relation to CIL receipts from non-parish areas, in accordance with the Councils adopted protocols the 15% proportion for the relevant wards has been retained for future spending in consultation with the local communities (£10,164 Cannock East Ward, £3,746 Cannock South Ward, £772 Cannock West Ward, £1,524 Rawsley Ward).
- Cannock Chase Council has not made any requests for the recovery of neighbourhood funds from local councils within the reporting year.

**Regulation 62(4) (d) Total amount of CIL receipts retained**

- The total amount of CIL funds retained from 2017/18 receipts for future expenditure on infrastructure is £169,272 (note this figure is £185,478 if the £16,206 neighbourhood funds for the non-parish areas retained at present are included).
- Taking into account receipts from previous years, the total amount of CIL receipts retained by the Council for future expenditure on infrastructure is £242,570 (note this figure is £266,444 if the £23,874 neighbourhood funds for the non-parish areas retained at present are included). These receipts have not been allocated to any Regulation 123 list projects at this time. The Council will retain these funds and keep under review the level of receipts received to inform a decision on when to begin the process of allocating funds to specific Regulation 123 list projects.

**Regulation 62(4) (e) Infrastructure payments accepted**

No payments 'in kind' of infrastructure have been accepted in this reporting year.

**Appendix 2**

**Cannock Chase Council Community Infrastructure Levy Guidance for Parish  
and Town Councils**

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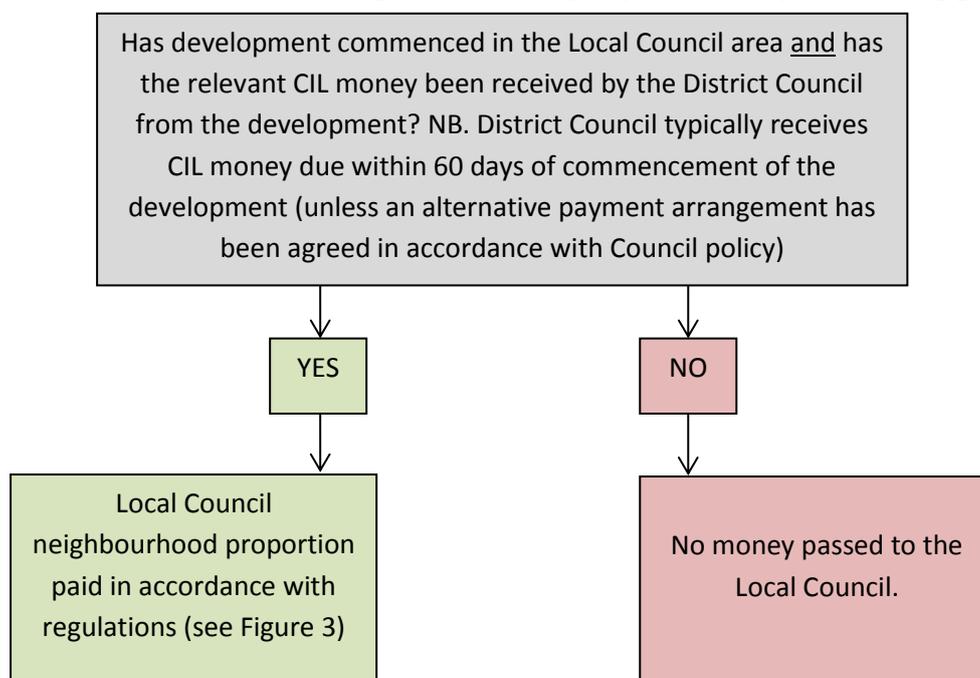
## Introduction

- 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).

## Overview

- 1.2 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 don't spend/allocation 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

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

1.3 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

1.4 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.

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

1.5 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.

- 1.6 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.
- 1.7 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.
- 1.8 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.

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

- 1.9 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.
- 1.10 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.

**What does the Parish / Town Council (Local Council) need to do?**

Spending

- 1.11 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.
- 1.12 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

- 1.13 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.
- 1.14 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

- 1.15 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.

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

- 1.16 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.
- 1.17 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.

**How does CIL affect non-parished areas?**

- 1.18 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').

**Further information**

- 1.19 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

Further guidance in relation to the Community Infrastructure Levy is available 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>1</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>1</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).