PLANNING FUTURES

National Association of Local Councils

A Guide to the Community Infrastructure Levy (CIL) for Parish and Town Councils

Planning Futures has been commissioned by the National Association of Local Councils' (NALC) Legal team to prepare this briefing note on how the Community Infrastructure Levy or CIL, can help your Town or Parish Council (TPC) to deliver and support local infrastructure provision.

What is CIL?

CIL is a charge on development that came into force in 2010 (and runs in tandem with s.106 contributions). The purpose of the CIL is to fund infrastructure to support local development.

Local Administrations can choose whether or not to charge CIL within their Borough/District and the levy is usually collected by the Local Planning Authority who are known as the "Charging Authorities" (CA).[1]

The rate of CIL is set by the CA after consulting with their communities and developers (and is tested by Independent Examination).

The Town and Parish Council Share

TPCs are entitled to a "Neighbourhood proportion" (NP) (sometimes called the "Meaningful Proportion") of the CIL monies received by the CA.

The amount you receive depends on whether or not you have an adopted Neighbourhood Plan in place.

No Neighbourhood Plan – You will receive 15% (capped at £100 per existing council tax dwelling in the Council's area).

Adopted Neighbourhood Plan in your area (or a development that has been granted permission by a Neighbourhood Development order)? **–** You will receive 25% of CIL receipts (uncapped).[2]

[1] In London, the boroughs collect the levy on behalf of the Mayor.

[2] Where there is no TPC in an area, the CA will retain 15% as the NP and will consult with local communities as to spending priorities.

What can you spend it on?

CIL monies can be used to support the development of the local area to fund:

(a) the provision, improvement, replacement, operation or maintenance of infrastructure; or

(b) anything else that is concerned with addressing the demands that development places on an area[3].

"Infrastructure" includes physical, social and green infrastructure e.g. Highways; cycleways; education facilities; sports and community halls; parks and play areas.

CIL monies cannot be used for everyday TPC expenditure or for spending on items or services which fall outside the TPC's remit (whether that be by statute or Power of Competence[4]).

Examples of how CIL monies have been spent include:

- Supporting a Town Bus service **(Henley on Thames Town Council)**
- Ultrafast fibre Broadband **(Waterstock Parish Council)**
- Installing village gates on a main road verge to slow down traffic **(Bix and Assendon Parish Council)**

Deciding your spending priorities

You should consult with your local community to create your list of local priorities.

To ensure that any consultation is inclusive and meaningful, and that all groups can engage with the CIL process, you should focus on ways of reaching out to all members of the community (particularly those who are less vocal or more vulnerable). TPC newsletters and websites/social media platforms are a useful resource for this, as are community engagement events.

CIL can be used to shape the future of your local area.

By engaging early with your CA, you can coordinate spending to leverage your CIL monies to maximum effect. For instance, you may wish to contribute to larger infrastructure projects to be undertaken by the District or County Council, which will benefit your area in the long-term.

Case Study:

Wokingham Town Council worked with their CA to complete a £4.2million partnership project to refurbish the Market Place. The Town Council used their current and projected CIL monies (including some borrowing against projected CIL income) to contribute to a 50:50 basis to the project.

[3] The 2010 Regs 59C

[4] Localism Act 2011 Part 1

Whilst CIL is often thought of as a fund to support planned development – you may also wish to invest your CIL monies in infrastructure that will incentivise future development.

Putting together an Infrastructure Investment/Delivery Plan (IP) listing the priorities, will provide an evidence base for spending decisions, transparency for local communities and will help you to give the CAs a better understanding of your community priorities.

Spending deadline

The CA will pay out CIL monies collected to your TPC at regular intervals.

The monies should be spent within 5 years of receipt. If they are not, or they are used inappropriately, then the CA can recover the monies.

Reporting requirements

You must prepare a report for any financial year in which you receive CIL receipts[5].

For that year, the report should include details of:

- total CIL receipts;
- total CIL expenditure;
- a summary of what the CIL was spent on;
- Details of any notice served by the CA for failure to use CIL monies within the required 5 year period or appropriately;
- the total amount of receipts retained at the end of the financial year (from that year and previous years).

These reports can be combined with other reports already produced by your TPC.

The report should be published on your website (or on the or the CA's website if you do not have one).

A copy of the report should be sent to the CA (from which you received the CIL monies) no later than 31st December following the relevant financial year, unless the report will be published on the CA's website.

Note: This is a general briefing note on the operation of CIL for TPCs who are advised to obtain independent legal advice on matters that can lawfully be funded from CIL receipts (particularly if they have previously had Town/Parish precept funding).

[5] The 2010 Regs 62A