

Community Infrastructure Levy (CIL) A Guide for Town and Parish Councils (2019 version)

Introduction

The Community Infrastructure Levy (CIL) is a charge on developers and land owners made when liable planning permissions are implemented. It allows Collecting Authorities to help fund the infrastructure that is needed as a result of development.

This guide is aimed to help members of Town and Parish Councils of the Stroud District. We hope to provide you with some understanding of the main legislative areas of CIL and information on how local neighbourhoods (the Town and Parish Councils) can have their apportionment of CIL monies, what it can be spent on and their reporting requirements.

The CIL team at Stroud District Council welcome the opportunity to work with you. You can contact us for help and support at CIL@stroud.gov.uk.

What this guide covers:

What is CIL?

What will CIL be spent on?

How much CIL will our Town/Parish receive?

Is there a limit on how much CIL we can get?

Do S106 Agreements still exist in the Stroud District?

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What can we spend our CIL 'Local Neighbourhood Portion' on?

What are our reporting requirements?

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1: What is CIL?

The Community Infrastructure Levy (CIL) was introduced by the Government through the Planning Act 2008. It provides a fair and transparent means for ensuring that new development contributes to help fund infrastructure, such as Education and Highways.

The levy applies to planning applications for all new dwellings/annexes, extensions where there is a gross new build floor space of 100m² or more, and the conversion of buildings that have not been in use. The creation and extension of supermarkets/retail warehouses in the Stroud District is also liable development for CIL. However, there are a number of exemptions which can be applied for which may result in non-payment of the levy.

CIL was adopted by Full Council on the 9th February 2017, and has been implemented at SDC since the 1st April 2017. It applies to all eligible development approved after this date, including applications approved at appeal.

2: What will CIL be spent on?

Town and Parish Councils will receive either 15% or 25% of CIL collected for their area. This is explained in Part 3 below. As the CIL Collecting Authority, SDC can retain 5% of CIL collected to help towards the administrative costs of CIL. The remaining amount and majority of CIL will be used towards supporting the provision of large scale strategic infrastructure.

SDC will support district wide strategic infrastructure through CIL funds which have been formally approved to be spent on the 'Regulation 123 List', this will be replaced by an 'Infrastructure Funding Statement' in 2020.

Funding allocations will need to be prioritised and assessed by SDC as part of a bidding process involving delivery partners and agencies such as the County Council, Environment Agency and Health Authorities.

The table below provides a summary of the types of strategic infrastructure included.

Education	Social Infrastructure
Transport & Highways	Canal Infrastructure
Green Infrastructure	Strategic Flood Risk Management
Emergency Services	Health & Wellbeing Infrastructure
Renewable or Low Carbon Energy	Strategic Waste & Recycling

Individual community projects cannot be supported by the CIL strategic portion. Local project groups seeking support through CIL should contact their relevant Town/Parish Council to see if their CIL neighbourhood portion could assist them (see Part 8). SDC will monitor CIL neighbourhood expenditure but will not be party to localised decision making using the neighbourhood CIL portion.

3: How much CIL will our Town/Parish receive?

CIL legislation specifies that neighbourhood areas (Town & Parish Councils) are able to claim 15% of the CIL collected for their area, or if they have a formally adopted 'Neighbourhood Development Plan' (NDP), they can claim 25%.

If the Town/Parish Council has an adopted NDP covering only part of their Town/Parish Council area, the 25% uncapped CIL allocation is calculated for the NDP area only. This means that any development outside of the NDP area but still within the parish boundary would be subject to the 15% capped amount of CIL money.

[More information on 'Neighbourhood Planning' can be found on the Planning Strategy pages on SDC's website.](#)

If a development is over two Town/Parish boundaries, the CIL money will be divided accordingly using the floor area covering each area of the Parish or Town. For example, a new dwelling of 100m² straddling the boundary exactly in half, would result in the Parishes or Town Councils involved to receive their percentage for the 50m² in their area.

SDC cannot ask for payment for infrastructure from both an S106 agreement and CIL charge – this would be known as 'double dipping' and is not allowed. Strategic infrastructure that is identified on the Regulation 123 List/Infrastructure Funding Statement (CIL) cannot be requested in any S106 agreement.

However, on some special occasions there may be instances where a CIL payment is sought and a S106 agreement is also made for that development to mitigate a special need.

An example of a CIL allocation:

Planning permission has been granted for 1 new residential dwelling, it will be 248m² in gross internal floor area (GIA).

The CIL calculation: 248m² floor area x £80/m² residential charge

= £19,840 (Indexation will be applied for the current financial year)

A payment schedule is applied in line with SDC's Instalment Policy.

Total CIL income allocated as follows:

Parish/Town with an adopted NDP: 25% = £4,960 or,

without an NDP: 15% = £2,976

CIL Collecting Authority towards administrative costs: 5% = £992

Strategic Infrastructure Projects: Remaining amount (depending on amount taken by Town/Parish with/without NDP) = £13,888 or £15,872

4: Is there a limit on how much CIL a Town/Parish can get?

CIL Regulations state that Town and Parish Councils without a Neighbourhood Development Plan have their allocation 'capped' at £100 per existing dwelling paying Council Tax in that area each financial year. We monitor the number of dwellings paying Council Tax in each

area annually therefore this entitlement may fluctuate, for example an increase in houses or houses being taken out of rating.

For example: *“A Parish Council with no NDP has 600 existing dwellings paying Council Tax in their area. Therefore, a maximum of £60,000 could be received in CIL monies per financial year (600 dwellings x £100 cap).”*

If CIL monies collected for that area go over the capped level, the excess amount would not be paid to that Town or Parish Council. Whilst this may sound limiting in principle, it is worth remembering that within the Stroud District it would be very rare for CIL payments not to fall well within the capped allowance.

For Town & Parish Councils that do have a formally adopted Neighbourhood Development Plan, there is no cap on the amount of CIL that can be collected.

5: Do S106 Agreements still exist in the Stroud District?

In most cases off-site infrastructure will now be paid for using CIL monies collected, replacing the use of S106 agreements on new permissions.

From April 2017 (when SDC implemented CIL) S106 agreements are now only used for:

- Major allocated schemes as identified in the District’s adopted Local Plan
- Specific agreed affordable housing requirements
- On-site public open space and social provision
- Where there are very site specific measures required to make a development acceptable (e.g. flood risk management, recycling and waste management, transport linkages etc).

6: How does SDC collect CIL?

In the Stroud District, CIL is payable on two types of development:

- 1) Residential development
- 2) Supermarkets and retail warehouses

There are however some exemptions; these are older peoples’ housing and affordable housing, sites within the designated Stroud Valleys exemption area, large strategic sites as identified in the Local Plan and self-build dwellings.

So that the value of the agreed CIL rates is retained over time, we apply indexation each year. Legislation dictates that we use the indexation figures provided by the Building Cost Information Service (BCIS) for the upcoming year, therefore the rate will fluctuate in line with current build costs.

When a planning application is made, SDC ensures that the persons liable for CIL complete the necessary forms. Then, using a variety of information sources, we track the progress of planning applications and ensure that payments due are collected on time. This is not always a straightforward task, so we always appreciate hearing from Town & Parish Councils when they know a development is starting. You can send any information to cil@stroud.gov.uk.

In line with the Regulations, CIL is paid in instalments over a period of time, with the first payment of 10% being made 60 days after commencement of the chargeable development. This could have an impact on when the neighbourhood portion is then available for the Town and Parish Councils to claim.

The CIL instalment arrangements depend on how much is due, more information on SDC's Instalment Policy can be found on our CIL webpage under the tab ['Liable Development and Charging Schedule'](#).

In some circumstances, the amount of CIL levied will be payable immediately and in full if a disqualifying event occurs. More information can be found in the Council's [CIL Enforcement Procedure](#).

7: When can we receive our share of CIL?

SDC make the neighbourhood portion of CIL receipts available to be drawn down on a six monthly basis, in April and October of each year. This is set by the legislation and therefore we cannot make payments outside of these given months.

The CIL team will contact the Clerk to the Town/Parish Council by email to inform them how much has been collected for their area and to ask if their Council would like to claim the CIL monies accrued on their behalf.

In cases where only a small amount has been received, then the relevant Town/Parish Council can choose for SDC to hold the CIL money on account until the funds are enough to enable project support. We would encourage Town/Parish Councils to claim the funds and ensure that they are spent within 5 years of receipt.

Please note that due to the Instalment Policy (explained above), the CIL money available to the Town/Parish Council twice yearly will be the total of what has actually been received on account from that development so far.

8: What can we spend our CIL 'Local Neighbourhood Portion' on?

CIL monies should be used to 'support the development of the area' by funding;

- The provision, improvement, replacement, operation or maintenance of infrastructure; or
- Anything else that is concerned with addressing the demands that development places on an area.

Whilst the above gives some broad guidance, there are no specific government prescribed processes for spending the neighbourhood portion of the collected levy. Any spending on projects must fit within the usual Town/Parish Council powers of competence, but there is certainly scope for Town and Parish Councils to use CIL funds for a variety of project works they feel best address priorities expressed by local residents.

Where an NDP has been made, the Parish/Town Council should consider how the Neighbourhood CIL portion can be used to deliver the infrastructure identified in that plan.

Whilst there is a preference for physical works to be delivered, CIL could also fund affordable housing schemes or the creation of a new or updated NDP which would then entitle them to benefit from future higher rate CIL receipts (25% uncapped) once adopted.

Important note: CIL legislation states that the only restriction for CIL expenditures is that it cannot be used to purchase land.

Unlike the requirements of S106 agreements, there is not a need for a CIL supported community project to be directly related to the development that funded it. There is also no opportunity for the developer to 'claw back' (request a refund), however it is important to be aware that SDC can claim back money allocated to Parish and Town Councils if it is not spent within 5 years (SDC will monitor your CIL spending through your reporting requirement explained below).

9: What are our reporting requirements?

CIL legislation dictates that each financial year, Town and Parish Councils must produce an annual report of all CIL receipts with an explanation of how the money has been spent or if it has been retained.

This report must be completed and made publically available on the Town/Parish Council website after the close of that financial year (April onwards). SDC also have to do their own annual summary of all CIL expenditure as part of their CIL obligations which is placed on the website no later than the end of December of each year.

If possible, it would be very helpful to see this report on all Town and Parish websites no later than the end of June, so that we (as Collecting Authority) have the opportunity to include your information into the District's annual report for CIL by the end of the year.

Your report will be monitored by SDC to review CIL neighbourhood spending along with all the other areas in the district. It is good practise for Town and Parish Councils to place a CIL statement on their website even if there have not been any CIL receipts in that year.

SDC will issue a reminder to Town and Parish Councils for their report. With this reminder, we will also include a suggested template that you can use if you wish, but you are also welcome to provide your neighbourhood CIL information in your own format if you prefer.

Please remember CIL monies claimed by a Town/Parish and left unspent on your account within 5 years of receipt must be returned to SDC as the CIL Collecting Authority (CIL legislation does not offer SDC any discretion to negotiate this 'claw-back' period).

10: Where can we get further help and advice?

Developing and delivering projects

The Gloucestershire Rural Community Council (GRCC) is very experienced at helping Town and Parish Councils with community planning and project work. They can assist with identifying project opportunities, prioritising ideas and funding advice. SDC are pleased to have an agreement with GRCC to provide free help to communities in our district, contact them at: Email: glosrcc@grcc.org.uk Tel: 01452 528491 Website: www.grcc.org.uk

The Planning Portal

This website is an invaluable tool for finding out about the planning process and relevant documents, policy and legislation. There is a specialist CIL area within the website which can be found by clicking on the 'Policy and Legislation' option. www.planningportal.co.uk

Technical legislative guidance on CIL

The Government's website provides further detailed guidance on CIL and how it operates, see www.gov.uk/guidance/community-infrastructure-levy for more information.

CIL Team at Stroud District Council

The CIL pages on SDC's website contain most of the information you will need. Go to www.stroud.gov.uk and click on 'Planning & Buildings'.

If viewing this document online click CIL <https://www.stroud.gov.uk/environment/planning-and-building-control/community-infrastructure-levy-cil>

For advice on your Neighbourhood CIL payments, reporting requirements, and any other CIL matters you can contact us on the following:

Email cil@stroud.gov.uk or Direct-line telephone: (01453) 754836

