

# **Community Infrastructure Levy (CIL)**

## **Guidance for Town and Parish Councils**





## **1. Introduction**

The information contained within this guide is intended to provide an overview of CIL and to assist Town/Parish Councils within Rutland to understand their responsibilities relating to the Community Infrastructure Levy (CIL).

## **2. What is CIL?**

- CIL is a levy that local authorities can charge on new development in their area to ensure sustainable development overall i.e. facilities and services in the area have capacity to keep up with growth.
- Rutland County Council (RCC) has been a CIL charging authority since 1 March 2016 and from that date new development in Rutland has been liable to pay CIL.
- The amount of CIL payable is determined by the Gross Internal Area (GIA) of the development and the applicable CIL rate/s.
- There is also the ability to offset existing floorspace on a change of use and demolition of existing buildings, subject to meeting certain criteria.
- Exemptions may also apply for self-build housing, annex buildings, extensions to a property (including garages) and affordable housing
- The RCC adopted CIL Charging Schedule sets out the charge per square metre that will apply to each type of development (for example residential, retail etc).
- The CIL Regulations as amended set out new indexation arrangements for calculating the levy from September 2019. The annual index must be applied to the CIL Levy rates in order to ensure that it keeps up with inflation. The annual index figure will be published by the Royal Institution of Chartered Surveyors (RICS) CIL index on or around 1 November each year and will apply from 1 January of the following year for the whole calendar year.

## **3. When is CIL payable to RCC?**

- CIL is payable on commencement of the chargeable development.
- Commencement of a liable development should be formally communicated to RCC by the developer.
- RCC typically receives CIL payments by instalments ranging from 60 days to 6 years, depending on the size of development and when building works commence.
- Planning permissions can be valid for three years, so it may be a number of years before a development commences and significant CIL payments are received.

- The regulations require that payments to Town/Parish Councils can only be made once the charging authority has received the funds.

## **4. How much CIL will the Town/Parish Council Receive?**

CIL payments received by RCC are proportioned in accordance with the CIL Regulations as follows;

- Administration – 5% of all CIL income is retained by RCC to pay for the systems and salaries of staff that manage CIL collection and spend processes.
- Under the requirements of the CIL regulations, 15% of the CIL receipts collected as a result of development within a given town or parish area will be passed to the relevant Town/Parish Council. Payments will be capped at £100 (indexed) per council tax dwelling per year, for example, a Parish Council with 400 dwellings in its area cannot receive more than £40,000 per year in CIL receipts.
- For areas with an adopted Neighbourhood Development Plan the proportion to be passed to the Town/Parish Council is increased to 25% with no cap.
- In areas with no Town/Parish Council, the 15% of CIL must be used by the charging authority to support the development of the relevant area.
- The remaining CIL goes to Rutland County Council CIL Fund which is then allocated to projects included in the annual infrastructure funding statement – e.g. extensions to schools and health.

## **5. When is CIL paid to Town/Parish councils?**

- RCC will normally make payment in respect of CIL it receives from 1 April to 30 September to the Town/Parish Council by 28 October of that financial year, and pay the CIL received from 1 October to 31 March by 28 April of the following financial year.
- A Town or Parish Council may formally agree a different payment time for receiving their CIL, however the payment timing does not affect the calculation of the CIL payment and the application of the ‘cap’. The Town or Parish Council must notify the RCC CIL & S106 Obligations Officer as soon as possible if it decides not to receive any CIL.
- RCC will contact Parish Clerks and Ward Members by email to confirm the amount of CIL to be paid. The payment will be made directly to Town/Parish Councils by the 28 April/28 October. The full list of CIL payments will be published on the RCC website.

## **6. How must CIL payments be spent by Town/Parish Councils**

- Regulation 59c of the CIL Regulations 2010 (as amended) requires that a Town/Parish Council must use the CIL receipts passed to it to support the development of the Town/Parish area, or any part of that 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".*

- This provides Town/Parish Councils with a much more flexible approach for spending their CIL receipts in comparison to the powers of RCC.
- Such wider spending powers for the Town/Parish Council allow the local community to decide what they need to help mitigate the impacts of development in their area.
- This may be for a local project, or the Town/Parish may decide to contribute their proportion of the funding to more strategic projects which are being supported by RCC, such as an education expansion project required that will support their locality.
- CIL may be spent collaboratively with other parish councils, community groups or other providers to maximise the benefit to the community and address the effects of development. This could include spending collaboratively as a Community Partnership for example, the Town and Parish Council may wish to consider producing their own Infrastructure Delivery Plan to help guide funding decisions, similar to the Rutland County 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.
- Town and Parish 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 the infrastructure to be supported is not permissible due to the responsibilities of a Town/Parish Council then this may still happen by agreeing for the money to remain or be passed back to RCC for them to spend in accordance with the wishes of the local community.
- Town or Parish Councils that have a GPC will be able to spend CIL receipts on all the infrastructure items that non GPC local councils can spend CIL receipts on but will also be able to rely on the exercise of the GPC to fund wider strategic

infrastructure, for example providing new roads, new or extended school, libraries, doctors surgeries, providing affordable housing, village shops, gyms, cafés, funding or part funding a PCSO or a Community Warden etc. - so long as such expenditure can properly be said to relate to the provision, improvement, replacement, operation or maintenance of infrastructure or assists in addressing the demands that development places on the area.

- Decisions on the expenditure of the Town/Parish Council's proportioned funds are at their discretion, provided that it is in accordance with the CIL regulations which allow it to be spent on things other than infrastructure provided they are concerned with addressing the demands that development places on the parish's area.

## 7. When must CIL be spent by Town/Parish Councils?

- If the Parish and Town Council has failed to spend their CIL receipts within a period of 5 years from the date of initial receipt, or does not spend it on initiatives that support the development of the area, then RCC can serve a Repayment Notice on the Town/Parish Council requiring it to repay some or all of the receipts that had been transferred to them.

## 8. What are the reporting requirements for Town/parish Councils?

- Regulation 121B states that Town/Parish Councils **must** prepare an Annual CIL Report for each financial year (1 April to 31st March) they receive CIL. The report **must** include the following:
  - Total amount of CIL receipts in the financial year;
  - Total CIL expenditure in the financial year;
  - Details (a breakdown) of the CIL expenditure in the financial year to include:
    - a description of the items to which CIL has been applied;
    - the amount of CIL expenditure on each item;
    - details of any CIL repayment notices received during the financial year to include: (i) the total value of CIL receipts subject to notices served to recover CIL;
    - the total value of CIL receipts subject to a notice served recover CIL in any year that has not yet been repaid to Rutland County Council.
- The report must comply with accounting and audit procedures as set out in Governance and Accountability for Smaller Authorities in England 2019 (Joint Panel on Accountability and Governance).
- A template CIL Annual Report is attached as Appendix A to this document.

- This information must be published on Town/Parish website where applicable or on RCC website.
- A copy of the Town/Parish annual report must also be sent to the Council (contact details shown below) as charging authority, ideally by 1<sup>st</sup> June but no later than 31st December following the reported year. For transparency all Parish/Town Council reports will also be published on the Rutland County Council website.

## **Further Information**

Further Information on CIL processes and legislation can be found on the following websites:

<https://www.gov.uk/guidance/community-infrastructure-levy>

<https://www.rutland.gov.uk/my-services/planning-and-building-control/planning/planning-policy/community-infrastructure-levy-cil/>

<https://www.legislation.gov.uk/ukdsi/2010/9780111492390/contents>

## **Contacting us:**

If you have any queries in relation to this Guidance or other CIL related matters please contact the Community Infrastructure and Planning Obligations Officer on:

[CIL@rutland.gov.uk](mailto:CIL@rutland.gov.uk)

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## Community Infrastructure Levy (CIL) Annual Financial Report

Rutland County Council (CIL Charging Authority) introduced a CIL charging schedule on the 01 March 2016. Regulation 62A of the Community Infrastructure Regulations 2010 (as amended) (CIL Regulations) requires a Local 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.

**Town or Parish Council:**

**1 April \_\_\_\_\_ to 31 March \_\_\_\_\_**

<b>A</b>	<b>Total CIL income carried over from previous years</b>	<b>£</b>
<b>B</b>	<b>Total CIL income received (receipts)</b>	<b>£</b>
<b>C</b>	<b>Total CIL spent (expenditure)</b>	<b>£</b>
	<b>Total CIL requested to be repaid in the year</b>	<b>£</b>
	<b>Total value of CIL receipts subject to a Repayment Notice served <u>in any year</u> that has not been repaid</b>	<b>£</b>
<b>D</b>	<b>Total CIL repaid in the year following a Repayment Notice</b>	<b>£</b>
<b>E</b>	<b>Total CIL retained at year end (A+B-C-D)</b>	<b>£</b>

**CIL Expenditure**

<b>Items to which CIL has been applied:</b>	<b>Amount spent £</b>
<b>Total spent</b>	<b>£</b>

**A large print version of this document is available on request**



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