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

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1. What is CIL?

On 1 June 2019 Cotswold District Council implemented the Community Infrastructure Levy (CIL). The CIL is a locally set charge that local authorities can place on development, such as new homes and extensions to homes according to their floor area. The money generated through the levy will contribute to the funding of infrastructure to support development growth in Cotswold District. A CIL charge applies to all relevant applications determined on or after this date, even if they were submitted in advance. CIL may also apply to Lawful Development Certificates and Permitted Development.

2. How is CIL calculated?

CIL is charged in £ per square metre. The floor area on which CIL is payable is calculated by measuring the gross internal area (or GIA) of a new development.

The amount of CIL liable is also dependent on where the development is located within the District, the type of use proposed, the amount of floor space that is being created and the amount that is being lost i.e. through demolition.

CIL is also index linked from the year that CIL was introduced to the year that the planning permission has been granted. The District Council must use the CIL Index published by the Royal Institute of Chartered Surveyors as outlined in the CIL regulations.

The current Charging Rate can be found on our website.

The Community Infrastructure Levy is generally chargeable on the net increase in gross internal floorspace of all new development when:

- You are creating a new dwelling/annex (of any size)
- You are increasing the floor area by 100m² or more
- You are creating new retail floorspace or extending an existing premise by 100m² or more

There are some exceptions and exemptions which are explained on our website. The most notable exemptions are for self-build dwellings and affordable housing.

3. Procedures

The CIL process is very rigid and admin heavy. Moreover, if the person liable to pay the CIL makes any mistakes in the process they will be faced with surcharges and could lose the relief they’ve received like self-build or affordable housing relief. To avoid this from happening, we have explained the procedure on our website as clear as possible.

When a planning application is made, the development management case officer ensures that the necessary CIL forms are submitted. Then, using a variety of information sources, the CIL team tracks 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@cotswold.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 – further information is available in our instalment policy document.

4. Where does the money go?

Administration

CDC retains 5% of CIL collected to help towards the administrative costs of CIL.

Town & Parish Councils

CIL legislation specifies that neighbourhood areas (Town & Parish Councils) will receive 15% of the CIL collected for their area (capped). If they have an adopted ‘Neighbourhood Development Plan’ (NDP), they will receive 25% (uncapped).

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. Note that this cap is indexed every year.

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

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.

For more information on neighbourhood and community-led planning, please see our 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.

CDC will monitor CIL neighbourhood expenditure but will not be party to localised decision making using the neighbourhood CIL portion. However, CDC encourages Town/Parish Councils to work in cooperation with the District and County councils to deliver the infrastructure that is needed.
The remaining amount and majority of CIL will be used to pay for infrastructure to support local growth.

Please note that previously, contributions were secured through S106 agreements which in some cases will now be replaced by CIL. We will still seek S106 contributions for major allocated schemes, affordable housing, public open space and where there are site specific measures required to make a development acceptable.

As of 2020, Cotswold District Council will publish an Infrastructure Funding Statement; this will outline which infrastructure projects it intends to fund through CIL.

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 CDC’s Instalment Policy

Total CIL income allocated as follows:
- to Parish/Town: with an adopted NDP: 25% = £4,960 or, without an NDP: 15% = £2,976
- to the CIL Collecting Authority towards administrative costs: 5% = £992
- Remaining amount (depending on amount taken by Town/Parish with/without NDP) = £13,888 or £15,872 to be spend on infrastructure by CDC

5. When do you receive your share of CIL?

The District Council, in accordance with the regulations, will pay the Neighbourhood portion of CIL on a six monthly basis, in April and October of each year. The monies received must be spent within 5 years of receipt; otherwise they will need to be returned to the District Council. 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.

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.
6. What can you spend your CIL ‘local Neighbourhood portion’ on?

CIL monies should be used in accordance with the regulations and can fund:
- 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.

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.

**CDC encourages Town/Parish Councils to work jointly with the District and County councils to deliver the infrastructure that is needed.** Where an NDP has been made, the Parish/Town Council should consider how the Neighbourhood CIL portion can be used to deliver the infrastructure to support growth 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.

Unlike the requirements of Section 106 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 CDC can claim back money allocated to Parish and Town Councils if it is not spent within 5 years (CDC will monitor your CIL spending through your reporting requirement explained below).

7. What are the reporting requirements?

In line with the CIL regulations, Town/Parish Council’s must produce an annual report of all CIL receipts with an explanation of how the money has been spent. This report must be completed and made publically available on the Town/Parish Council’s website after the close of that financial year (April onwards).

CDC will issue a reminder to Town/Parish Councils for their report in March and will provide a template to makes things as easy as possible. Your report will be monitored by CDC to review CIL neighbourhood spending along with all the other areas in the District.

In its Infrastructure Funding Statement, which needs to be published by December each year, CDC will report on all CIL receipts and expenditure of the past financial year.

Please remember CIL monies left unspent on your account within 5 years of receipt must be returned to CDC as the CIL Collecting Authority (CIL legislation does not offer CDC any discretion to negotiate this ‘claw-back’ period).
8. Contact and further advice

Further and more detailed information is available via the CIL pages on the CDC website www.cotswold.gov.uk/CIL. Please contact the **CIL team** via CIL@cotswold.gov.uk if you have any additional questions.

**For more technical legislative guidance on CIL**, the Government's own web-pages provide further detailed guidance on CIL and how it operates. See http://www.gov.uk/guidance/community-infrastructure-levy for more information.

The **Gloucestershire Rural Community Council** can advise and support you in determining the local infrastructure need of your community. For more information please see http://www.grcc.org.uk/community-led-planning/infrastructure-priority-plans