

Community Infrastructure Levy

Information for
Town and Parish
Councils



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WHAT CAN CIL BE SPENT ON?

Find out how CIL can help to support development in your area by funding community facilities, open space, school places and more.

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Councils will need to detail what CIL funds they have received and where funds have been spent.

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GET IN TOUCH

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The Community Infrastructure Levy (CIL) is a new way in which the Council collects financial contributions from developers to help pay for new and improved infrastructure.

The levy applies to developers building new homes (use classes C3), and convenience retail shops. The development of affordable housing (i.e. social rented, affordable rented and intermediate housing) qualifies for 100% relief from CIL. This means a developer will not pay CIL on affordable housing, providing they claim the relief. Town and Parish Councils will receive 15% of CIL from development in their area. In areas where a Neighbourhood Plan is in place, the proportion is 25%. Money raised can be spent on anything that

deals with the demands that development places on the area, such as open space, school places, cycle / pedestrian routes, strategic transport infrastructure and community facilities. CIL will replace pooled financial contributions towards the Lincoln Eastern Bypass and Secondary and Sixth Form Education which is currently secured through 'Section 106 Agreements'. Section 106 agreements will continue to be used for primary education, NHS public open space and any other site specific infrastructure. Find out more inside and by visiting WLDC website.

What will CIL be spent on?

CIL must be spent on infrastructure necessary to support development planned in the Council's Local Plan in the case of West Lindsey this has been identified as:

- secondary and sixth form school places
- Lincoln Eastern Bypass

However, Town and Parish Councils will also receive a share of CIL known as 'Neighbourhood Funding' for spending on their own priorities.

The proportion of CIL that a Parish or Town Council receives must be used to support the development of the area. Funds can be spent on:

- the provision, improvement / replacement, of infrastructure;

or

- anything else that is concerned with addressing the demands that development places on an area. This gives Parish and Town Councils considerable freedom to spend their proportion of CIL on the things that address the impacts of development on their area.

Examples include:

- Improvements to a village hall
- New or improved play areas
- Provision of affordable housing
- Preparation of a Neighbourhood Plan (providing it addresses the demands that development places on the area).

Supporting development in an area

CIL funds must be used to support development.

Areas without Parish or Town Councils (Parish Meetings)

In areas where no Parish or Town Council exists, CIL funds will be retained in full by the District Council (Parish Meetings are not the same as Parish Councils). In these areas the Council will consult with the local communities to agree on how to spend the Neighbourhood Funding.

How is CIL apportioned?

At least 15% of CIL funds will be passed to Parish and Town Councils 'Neighbourhood Funding' means Parish and Town Councils can spend CIL funds on their own priorities.

CIL is not only designed to pay for infrastructure needed to support growth, it is also designed to incentivise communities to welcome and promote new development in their area. As such, the regulations require the District Council to pass a proportion of CIL funds raised in a particular area to the relevant Parish or Town Council. The figure is 15%, subject to an annual cap. The cap is equivalent to £100 multiplied by the number of dwellings in the Parish. In most cases the annual cap will not reduce the CIL funds passed to Parish and Town Councils due to the level of development planned. When development liable for a charge is built in an area covered by a Neighbourhood Plan, the relevant Parish or Town Council will receive a higher proportion of 25%. In addition, there is no annual cap in the area covered by the Neighbourhood Plan.

If a Parish or Town Council approve a Neighbourhood Development Order (an order which grants planning permission for a specified development or type of development) they will receive 25% of the CIL raised from development permitted by that order even if there is no Neighbourhood Plan in place for the rest of the area. The relevant proportion of CIL funds will be passed to the Parish or Town Council every 6 months. Funds will be passed to the Parish or Town Council on 28th October for all funds received between April and September, and 28th April for all funds received between October and March. It should be noted that CIL is paid in instalments upon commencement of development so it may be some time following the granting of planning permission that a Parish or Town Council receives its proportion of CIL funds.

Examples of how income for Parish Councils will be calculated:

Village A

Village A doesn't have a neighbourhood plan and so the amount it capped to the equivalent of £100 per property, there are 50 houses in the village so the village can receive no more than £5,000 per financial year.

In one financial year 22 market homes (each 90sqm in size) are built in the 'non-Lincoln Strategy

'Area'

The rate for this area is £20sqm, therefore the calculation is:

$22 \text{ units} \times 90\text{sqm} \times £20 = £39,600$ total CIL

The village is entitled to 15% of this which equates to a payment of £5,940 but village could only receive £5,000

Village B

Village B has 50 houses but does have a neighbourhood plan and so the amount of CIL received is not capped In one financial year 15 market homes (120sqm in size) are built in the 'Lincoln Strategy

'Area'

The rate for this area is £25sqm, therefore the calculation is:

$15\text{units} \times 120\text{sqm} \times £25 = £45,000$ total CIL

The village is entitled to 25% of this which equates to a payment of £11,250 if there was no neighbourhood plan the village receipts would be capped at £5,000 even though 15% would equate to £6,750.

What are the CIL charges?

CIL charges vary depending on the type and location of the development.

WEST LINDSEY DISTRICT COUNCIL CIL SCHEDULE RESIDENTIAL CHARGING ZONES

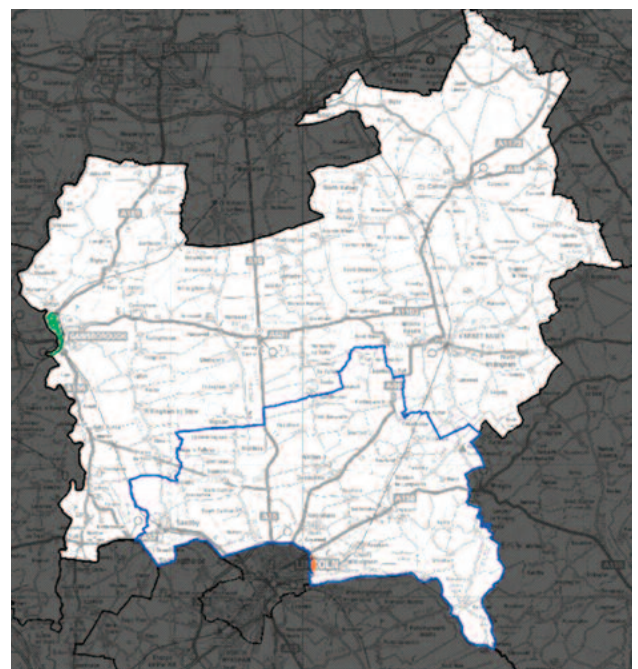
		Charge Per Square Metre (houses)	Charge Per Square Metre (apartments)
Zone 1	Lincoln Strategy Area (LSA)	£25	£0
Zone 2	Non Lincoln Strategy Area	£15	£0
Zone 3	North East Quadrant Sustainable Urban Extension	£20	£0
Zone 4	Gainsborough West (shown green on draft charging schedule map)	£0	£0

- Zone 1 The Lincoln Strategy
- Zone 2 The Non-Lincoln Strategy
- Zone 3 NE Quadrant Sustainable Urban Extension
- Zone 4 West Gainsborough

WEST LINDSEY DISTRICT COUNCIL CIL CHARGING SCHEDULE COMMERCIAL CHARGING ZONES (applicable to whole district)

Convenience Retail	£40
All other uses*	£0

*'All other uses' and the £0 rate included comparison retail and retail warehousing



Key points to remember when spending CIL

It is good practice to discuss any potential expenditure of CIL funds with the District Council. Early discussion will ensure that projects are in line with the regulations and will also allow other funding sources to be explored and whether some of CIL managed by the District Council can go towards the project. Parish / Town Plans and Neighbourhood Plans can act as a good starting point for prioritising CIL spend. Consider whether the expenditure addresses the extra demand on infrastructure and services that is caused by development. CIL cannot be used as a replacement for everyday Parish or Town Council expenditure.

Any funds which are erroneously spent will need to be handed back to the District Council. Additionally, funds which are not spent within 5 years must also be handed back to the District Council. If the Parish or Town Council has to hand funds back but cannot afford to, the District Council will recover the funds by deducting from future CIL receipts that were due to be passed to the Parish or Town Council.

Producing an annual report of CIL funds

Parish and Town Councils that receive CIL must prepare an annual report detailing funds received and spent. Parish and Town Councils that have received a proportion of CIL funds have a duty to produce an annual report that details the amount of CIL funds received and spent.

The report must set out the following:

- The total amount of CIL received for the financial year
 - The total amount of CIL spent in the financial year
 - A summary of expenditure including details of what items CIL was spent on and the amount of CIL expenditure on each item.
 - Any CIL that has been handed back to the District Council due to failure to spend or applying CIL funds to inappropriate items.
 - The total amount of CIL from the financial year unspent and the total amount of CIL from previous years unspent.
- The report must be published by 31st December following the reported year (e.g. for the financial year 2015/16 the report must be published by 31st December 2016). The report must be published on the Parish or Town Council website if they have one.

The report must also be sent to West Lindsey District Council by 31st December. The District Council will publish all reports on its website as well. It would also be good practice to put a summary of the report in any Parish newsletter or on public notice boards. CIL funds are subject to the same requirements for financial management and auditing as all monies Parish and Town Councils receive and spend as detailed in the Local Government Act 1972 and the Accounts and Audit (England) Regulations 2011. If a Parish or Town Council does not wish to receive some or all of the CIL receipts they are eligible for they must write to the District Council informing them of their position. At any time a Parish or Town Council can resume their rights to receive some or all of the CIL funds by writing again to the District Council. Future receipts will then be passed to the Parish again.

