

Community Infrastructure Levy

Information for
Town and Parish
Councils

Spring 2015 www.suffolkcoastal.gov.uk/CIL



Inside this information sheet:

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. *See Page 2*

WHAT ARE THE CIL CHARGES?

CIL Charges vary depending on the type and location of the development. Find out the rate of CIL for your area. *See page 2*

WHAT PERCENTAGE OF CIL FUNDS GO TO PARISH AND TOWN COUNCILS?

CIL is designed to incentivise development in an area. Find out the percentage of CIL funds your Parish or Town Council is entitled to. *See page 3*

PRODUCING AN ANNUAL REPORT OF CIL FUNDS

Each year Parish and Town Councils will need to detail what CIL funds they have received and where funds have been spent. *See page 4*

GET IN TOUCH

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Raising funds for new and improved infrastructure

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 C4), 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 most pooled financial contributions currently made through 'Section 106 Agreements' and upfront payments towards things such as open space and school places. Section 106 agreements will continue to be used for certain site-specific infrastructure.

Find out more inside and by visiting www.suffolkcoastal.gov.uk/CIL

What will CIL be spent on?

CIL will be spent on infrastructure such as:

- open space
- school places
- cycle and pedestrian routes
- strategic transport infrastructure
- community facilities

CIL must be spent on infrastructure necessary to support development planned in the Council's Local Plan. Importantly, Town and Parish Councils will receive a share of CIL known as 'Neighbourhood Funding' for spending on their own priorities as detailed opposite.



Funds can be spent on infrastructure, which includes open spaces

Areas without Parish or Town Councils (Parish Meetings)

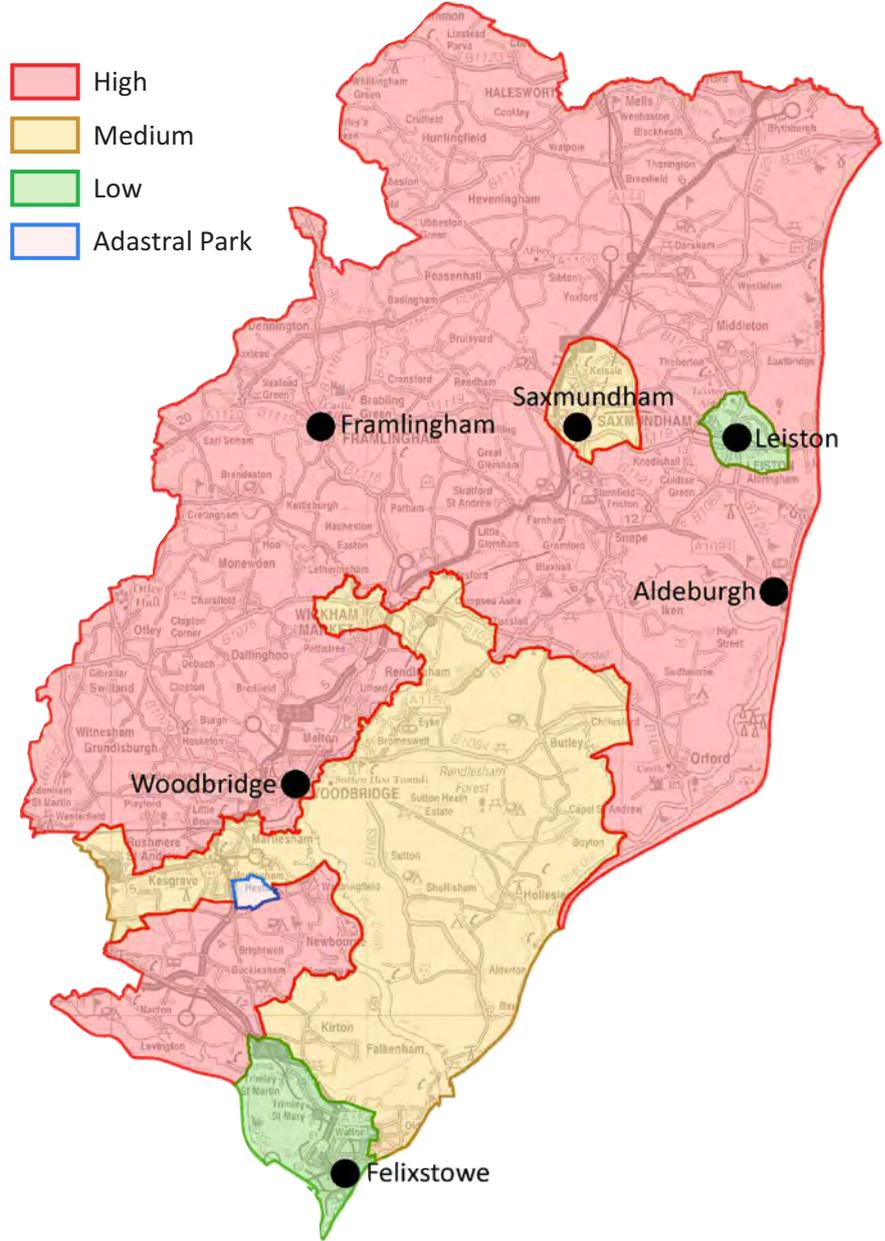
In areas where no Parish or Town Council exists, CIL funds will be retained in full by the District Council (Parish Meetings are not the same as Parish Councils).

The Parish Meetings are: Boulge, Burgh, Chillesford, Cransford, Dallingham, Debach, Dunwich, Hemley and Ramsholt

In these areas the Council will consult with the local communities to agree on how to spend the Neighbourhood Funding.

What are the CIL charges?

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



Residential Charging Zone	CIL charge per sqm
High	£150
Medium	£90
Low	£50
Adastral Park	£0

Other Types of Development (applicable throughout the District)	CIL charge per sqm
Wholly or mainly convenience retail	£100
Wholly or mainly comparison retail	£0
All other uses	£0

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 installments 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.

Supporting development in an area

CIL funds must be used to support development.

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, operation or maintenance 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).

Illustrative examples

8 market homes in Darsham

In one financial year, 8 market homes (each 90sqm in size) are built in Darsham.

Darsham is in the 'high' zone, so this raises a CIL of £108,000 (8 x 90sqm x £150 per sqm).

Darsham currently has 171 dwellings so the annual amount Darsham Parish Council can receive is capped at £17,100.

15% of £108,000 is £16,200, just below the cap. Therefore in this year Darsham Parish Council would receive **£16,200** of CIL.

50 market homes in Rendlesham

In one financial year, 50 market homes (each 90 sqm in size) are built in Rendlesham.

As Rendlesham is in the 'mid' zone, this raises a CIL of £405,000 (50 x 90sqm x £90 per sqm).

As Rendlesham has a neighbourhood plan, Rendlesham Parish Council receives 25% of the CIL, uncapped.

25% of £405,000 is £101,250.

Therefore in this year Rendlesham Parish Council would receive **£101,250**.

75 market homes and a 200 sqm convenience shop in Saxmundham

In one financial year, 75 market homes and a 200 sqm convenience shop are built in Saxmundham.

As Saxmundham is in the 'mid' zone, the housing raises £607,500 (75 x 90sqm x £90 per sqm) and the convenience shop raises £20,000 (200 sqm x £100 per sqm), a total of £627,500.

Saxmundham currently has 2,022 dwellings. Therefore the annual cap is £202,200

15% of £627,500 is £94,125, which is below the cap.

Therefore in this financial year, Saxmundham Town Council would receive **£94,125**.

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 Suffolk Coastal 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.

