

Community Infrastructure Levy: Advisory Note for Town and Parish Councils

The following guidance note has been prepared to assist Town and Parish Councils with the use and administration of the Community Infrastructure Levy (CIL).

1. What is CIL?

- 1.1 CIL is a new way of collecting contributions from developments towards the provision of infrastructure required to support growth within East Devon. It is a tariff that will be applied per square metre of new residential and retail development and varies by scale, use and geography. Different residential CIL charges for the urban and non-urban areas in East Devon have been established on the basis of viability and have been subject to examination by an independent Planning Inspector. Following the Inspector's recommendations, East Devon District Council has published a Charging Schedule showing the types of development that will be liable to pay CIL and the relevant rates that will need to be paid per square metre. The Charging Schedule is shown in Table 1 below and the Charging Zones are contained with the charging schedule: <http://eastdevon.gov.uk/media/1680258/adopted-charging-schedule.pdf> :

Table 1

Development Type	Axminster, Cranbrook ("existing" town), Exmouth, Honiton, Ottery St Mary, Seaton and edge of Exeter allocation sites (defined by new Built-up Area Boundaries and proposed Strategic Allocations)	Cranbrook expansion areas	Sidmouth, Coast, and Rural (the rest of East Devon)
Residential	£80	£68	£125

Development Type	Inside Town Centre Shopping Areas (as defined in the New Local Plan)	Cranbrook (as defined by the "existing town" plus expansion areas)	Rest of East Devon
Retail	£0	£0	£150
All other Non Residential Uses	£0	£0	£0

- 1.2 From 1st September 2016, East Devon District Council were no longer able to collect tariff based contributions. CIL effectively replaced Open Space Contributions, Education Contributions and Habitat Mitigation Capital Contributions.

- 1.3 The contributions that have been secured through planning permissions granted before 1st September 2016 will be collected and spent as they have been previously, until these funds have been expended in full. Given that some funds are not triggered for payment until occupation of development, this means that some funds may continue to be received until 2020.
- 1.4 CIL is required to be paid by the developer in phased instalments and will take up to two years to be received in full. East Devon District Council Community Infrastructure Phased Payment Policy is available via <http://eastdevon.gov.uk/media/1879937/phased-payment-policy.pdf>

2. Roles and Responsibilities for EDDC

- 2.1 East Devon District Council is the Charging and Collecting Authority for CIL and is responsible for setting CIL rates, collecting the charge and allocating expenditure for CIL. The Town and Parish Councils will receive a proportion of the CIL funds collected from development in their locality and are responsible for spending and reporting on CIL. CIL is only required to be paid by developers if development commences on site.
- 2.2 The proportion to be given to Town and Parish Councils is known as a “meaningful proportion”. Regulation 59 of the CIL Regulations defines this meaningful proportion as, for areas where there is no neighbourhood plan in place, 15% of CIL receipts from development within the Town/Parish area up to a maximum of £100 per Council tax dwelling per annum. The meaningful proportion rises to 25% where a neighbourhood plan is in place.
- 2.3 Unless alternative arrangements are agreed, East Devon District Council will make two payments to the Town or Parish Council covering the following payments periods for CIL:
 - 1) For payments made between the 1st April and 30th September, monies will be transferred on or before the 28th October
 - 2) For payments made between the 1st October and 31st March, monies will be transferred on or before the 28th April.
- 2.4 In view of the auditing and reporting requirements for CIL it is recommended that Town and Parish Councils set up a separate bank account for the receipt of these funds.
- 2.5 Sharing Information – East Devon District Council must report on the amount of CIL received and spent within their area for any financial year by the 31st December of the following year i.e. CIL collected in 2016/17 will be reported on by 31st December 2017. Such information should be published in East Devon District Councils Annual Monitoring Report which is available on our website.

3. Roles & Responsibilities for Town and Parish Councils

- 3.1 Town and Parish Councils must make arrangements for the proper administration of their financial affairs as set out in Section 151 of the Local

Government Act 1972. They must have systems in place to ensure effective financial control in accordance with the Accounts and Audit (England) Regulations 2011. These requirements also apply when dealing with the meaningful proportion payments given to Town and Parish Councils under the CIL (see paragraphs 2.1 – 2.2).

- 3.2 The Town or Parish Councils are responsible for spending the meaningful proportion of CIL receipts within 5 years of their receipt. East Devon District Council has powers to recover this amount if the meaningful proportion is not spent within 5 years, unless the Town or Parish Council has notified East Devon District Council in advance and formal agreement has been granted.
- 3.3 If a Town or Parish Council does not wish to receive some or all of its CIL funding it must write to East Devon District Council informing them of their position. At any time a Town or Parish Council can resume their right to receive funding by writing again to East Devon District Council.
- 3.4 Town and Parish Councils are required under Regulation 62A of the CIL Regulations to publish via their website (or East Devon District Councils website) the amount of CIL received and spent within their area, a summary of the projects on which CIL was spent, details of any CIL returned to East Devon District Council and any balances brought forward from previous years. This should occur no later than the 31st December following the reporting year (1st April to 31st March)
- 3.5 A copy of this report should be sent to East Devon District Councils S106/CIL Planning Obligation Officer. It would be good practice to also publish a copy of the report in any Town/Parish newsletter or on local noticeboards.
- 3.6 There is no prescribed format for reporting on CIL. The income received from the CIL should also be included in the overall published accounts but is not required to be identified separately therein.
- 3.7 Should the Town or Parish Council wish to report on its CIL spending via East Devon District Councils website, it should provide a full copy of the relevant paperwork to the S106/CIL Planning Obligation Officer no later than the 1st December each year.

4. Spending CIL Receipts

- 4.1 The CIL Regulations state that a Town/Parish Council must use CIL receipts passed to it in accordance with Regulation 59A or 59B to support the development of the local council's area, or any part of that area, by funding:
 - (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or
 - (b) anything else that is concerned with addressing the demands that development places on an area.
- 4.2 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.
- 4.3 Notwithstanding this freedom there are a number of factors that should be considered when developing a CIL spending plan.

- What are the Infrastructure Needs?

Town or Parish Councils should carefully consider whether the expenditure addresses the extra demand on infrastructure and services that are caused by development within their area and be clear on the links between infrastructure and growth. CIL cannot be used as a replacement for everyday Town or Parish Council expenditure and misspent CIL can be claimed back by East Devon District Council.

The production of a Town or Parish Infrastructure Delivery Plan (IDP) can be a useful starting point for the prioritisation of infrastructure projects and input into the Council's wider Infrastructure Delivery Plan is welcomed. A local IDP will assist in understanding how the needs of the town fit with the wider programme for infrastructure works. The IDP can be produced to support a Neighbourhood Plan, or as a stand-alone document.

- What are our responsibilities?

Does the Town or Parish Council understand the wider 'strategic' infrastructure requirements within East Devon, and how this impacts on the potential scope for 'local' infrastructure? Neighbourhood expenditure should be agreed in the full knowledge of both the needs of a local area and, in so far as it is possible, an understanding of where other strategic investment will be made in the area by the Council and its partners. Town and Parish Councils should be clear that there may be on going operational and maintenance costs associated with the provision of new infrastructure and will need to be clear how such costs will be met for the life of the infrastructure.

- How can we engage with the local community to determine their infrastructure needs?

Town and Parish Councils will need to consider the capacity of existing groups and local residents to engage in the CIL process and to ensure that such processes are inclusive, that all members of the community contribute to determining how local CIL may be spent, including those who are least vocal and most vulnerable.

- How can CIL funds be maximised?

There is a temptation to spend CIL receipts quickly on short term/quick win infrastructure projects, however Town and Parish Councils should consider the long term housing growth and resulting infrastructure needs when developing plans for the spending of CIL. It may take some time for sufficient funds to accumulate for more strategic infrastructure or there may be other funding opportunities which will allow the delivery of more significant infrastructure projects which would benefit the local community. While Town and Parish Councils are not required to spend their neighbourhood funds in accordance with East Devon District Councils priorities, there are likely to be common infrastructure projects. It would be good practice to discuss the expenditure of CIL funds with East Devon District Council because early discussions will ensure that projects are in line with the CIL Regulations and will also allow other funding sources to be explored and whether any CIL funding managed by East Devon District Council can go towards the project.

5 Neighbourhood Plans and CIL

- 5.1 CIL is not only designed to pay for infrastructure needed to support growth, it is also designed to incentivise communities to welcome and promote development within their areas. Where development is in an area covered by a Neighbourhood Plan the proportion of CIL receipts received by the Town, Parish or Neighbourhood will increase to 25% of the CIL receipts for that Town/Parish. Town and Parish Councils should carefully consider whether the benefits of introducing a Neighbourhood Plans (noting that such plans should comply with national and local planning policies) outweigh the costs for its introduction, examination and any referendum.

Any queries about CIL and the contents of this Guidance Note should be directed to East Devon District Councils S106/CIL Planning Obligation Officer emailing stallack@eastdevon.gov.uk