

COMMUNITY INFRASTRUCTURE LEVY (CIL) - BACKGROUND

Introduction

What is the Community Infrastructure Levy (CIL)?

The Community Infrastructure Levy (the 'levy') is a tool for local authorities in England and Wales to help deliver infrastructure to support the development of the area.

What kind of development is liable for the levy?

The levy may be payable on development which creates net additional floor space, where the gross internal area of new build is 100 square metres or more. That limit does not apply to new houses or flats, and a charge can be levied on a single house or flat of any size. There are, however, various exclusions, exemptions and reliefs from the levy that may be available.

Who can charge and collect the levy and from whom?

In our area East Devon District Council (EDDC) charges and collects the levy from Landowners, but anyone involved in a development may take on the liability to pay.

How does the levy relate to planning permission?

The levy is charged on new development. Normally, this requires planning permission from the local planning authority, the Planning Inspectorate, or the Secretary of State on appeal.

Parish Council – CIL Payments

Details of parish payments made to parish councils

Implications for Parish Council (PC)

As EBBPC has a Neighbourhood Plan (NP), EDDC will pass the PC 25% of CIL receipts, with no cap. Had we not had a NP, the payment would have been 15%.

CIL is paid in instalments linked to the commencement of development. Planning permissions can be valid for three years, so it may be a number of years before significant CIL payments are received.

Payment periods

EDDC will make payments:

- from 1 April to 30 September to the PC by 28 October of that financial year
- from 1 October to 31 March to the PC by 28 April of the following financial year

Parish CIL preparation

EBBPC should think about the following before receiving CIL Payments:

- do we have effective reporting mechanisms to show how the PC will spend CIL?
- how will we decide what to spend CIL on?
- how we might engage with the community on how to spend CIL?

To make clear what we expect CIL money to be spent on, it would be sensible to write a list of the infrastructure projects which the community sees as priorities for delivering, and would like to see provided with CIL funds.

The CIL Regulations state that a 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.

This gives Parish Councils considerable freedom to spend their proportion of CIL on the things that address the impacts of development on their area.

Notwithstanding this freedom there are a number of factors that should be considered when developing a CIL spending plan.

- What are the Infrastructure Needs?

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 Parish Council expenditure and misspent CIL can be claimed back by East Devon District Council.

The production of a Parish Infrastructure Delivery Plan (IDP) can be a useful starting point for the prioritisation of infrastructure projects and input into EDDC's wider Infrastructure Delivery Plan is welcomed. A local IDP will assist in understanding how the needs of the parish 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 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. Parish Councils should be clear that there may be ongoing 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?

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 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 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.

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.

D Wensley 8th January 2019