

Community Infrastructure Levy



Information for City, Town and Parish Councils

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 City, Town and Parish Councils?

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

Producing an annual report of CIL funds

Each year City, 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

Chichester District Council adopted its Community Infrastructure Levy on 26th January 2016 and it took effect on 1st February 2016. 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 residential development which creates one or more dwellings, comparison and convenience retail development, and purpose built student housing.

Affordable housing (i.e. social rented, affordable rented and intermediate housing) and self build housing qualify for 100% relief from CIL. This means a developer will not pay CIL on affordable housing or a self build house, provided they claim the relief.

City, Town and Parish Councils will receive 15% of CIL collected 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, transport infrastructure and community facilities.

Section 106 Agreements will continue to be used for certain site-specific infrastructure. Find out more inside and by visiting www.chichester.gov.uk/CIL



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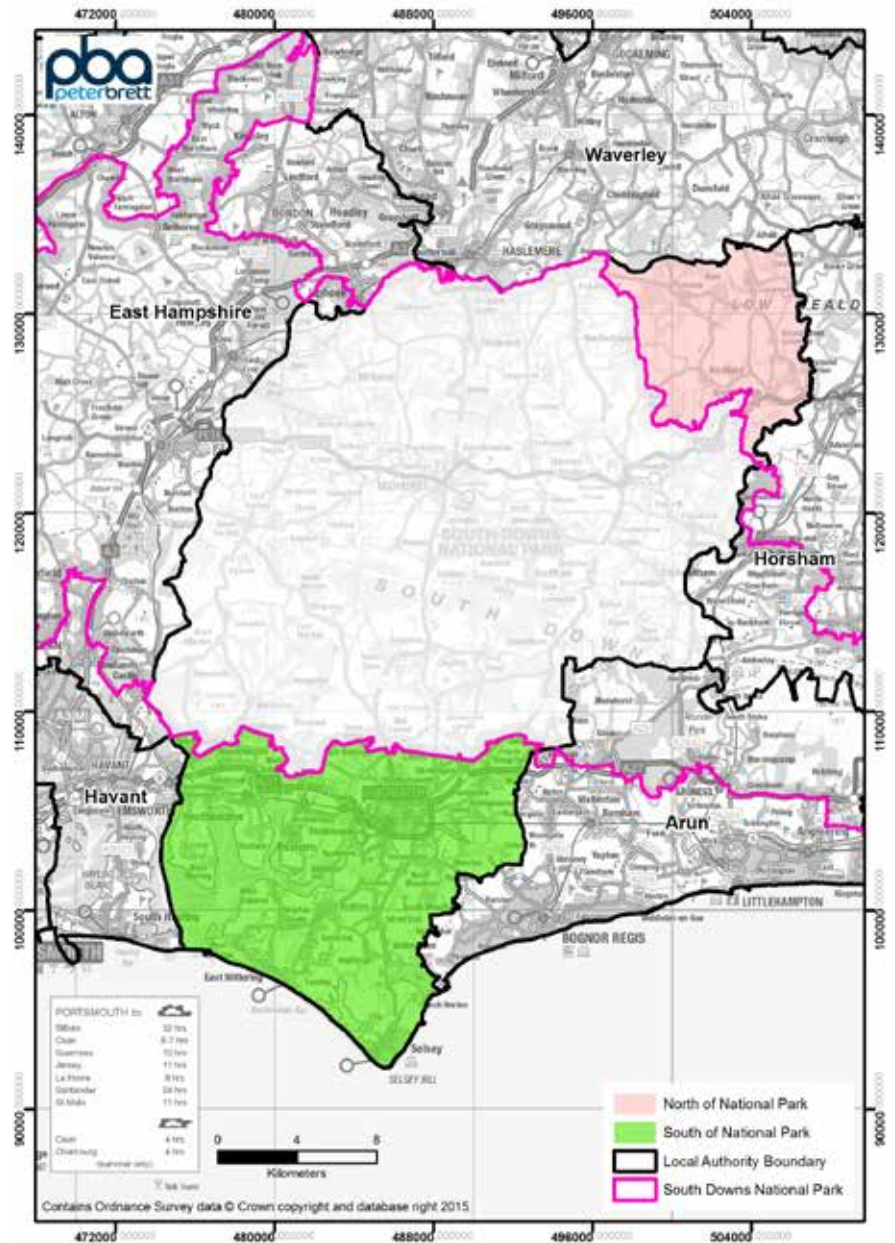
What can Parish Councils spend their CIL on?

- Sporting and recreational facilities
- Transport improvements
- Signage
- Cycle ways
- Village Halls
- Open spaces, and
- Lighting and footpaths

The parish portion of the CIL must be used to support the development of your area. This can include funding infrastructure outside your area if it would support development within your area.

You can also use some of your CIL receipts to develop a Neighbourhood Plan where this would support development by addressing the demands that development places on your area.

You can use your CIL receipts, for example, to fund feasibility studies as a first phase of a wider project which would support the development of your area by addressing the demands that development places on your area.



What are the CIL rates in Chichester?

The CIL rates are set out in the adopted Charging Schedule which should be read in conjunction with the Charging Zone map. The CIL rates (£ per sq m) are set out in the table below.

Use of Development	Levy (£ per sq. metre)
*Residential - South of the National Park	£120
*Residential - North of the National Park	£200
Retail (wholly or mainly convenience)	£125
Retail (wholly of mainly comparison)	£20
Purpose Built Student Housing	£30
Standard Charge (applies to all development not separately defined)	£0

*This charge applies to the creation of one or more dwellings, and residential extensions or annexes which are 100 square metres or more gross internal area which are not for the benefit of the owner/occupier. See further guidance provided at <https://www.gov.uk/guidance/community-infrastructure-levy#relief-and-exemptions>

This charge does **not** apply to residential institutions (C2)

Note: The CIL rates will be index linked from the base year to the date when permission is granted using the 'All-in Tender Price Index' published by the Building Cost Information Service of the Royal Institute of Chartered Surveyors.

At least 15% of CIL funds will be passed to City, Parish and Town Councils

'Neighbourhood Funding' means City, 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 City, Parish or Town Council.

The figure is 15%, subject to an annual cap. The cap is equivalent to £100 multiplied by the number of existing council tax dwellings in the Parish. In most cases the annual cap will not reduce the CIL funds passed to City, 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 City, Parish or Town Council will receive a higher CIL proportion of 25%. There is no annual cap in the area covered by the Neighbourhood Plan.

If you are considering producing a Neighbourhood Development Order, please contact us.

The relevant proportion of CIL funds will be passed to the City, Parish or Town Council every 6 months. Funds will be passed to the City, 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 is recommended that for auditing and reporting, Town and Parish Councils set up a separate interest bearing bank account for the receipt of CIL funds.

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 City, 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 City, 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 City, 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

20 market homes in Parish A - North of South Downs National Park

Parish A is in the North of the South Downs National Park, so this raises a CIL of £360,000 (20 x 90sqm x £200 per sqm).

Parish A does not have a Neighbourhood Plan adopted so it would receive 15% of the CIL from this development which equates to £54,000.

50 market homes in Parish B - South of South Downs National Park

Parish B is in the South of the District, so this raises a CIL of £540,000 (50 x 90sqm x £120 per sqm)

Parish B has an adopted Neighbourhood Plan so it would receive 25% of the CIL from this development which equates to £135,000.

75 market homes in Parish C - South of South Downs National Park and a 200 sqm convenience shop.

(75 x 90sqm x £120 per sqm) = £810,000 for the houses
200sqm x £125 per sqm = £25,000

Total scheme would raise £835,000

Parish C does not have an adopted Neighbourhood Plan so it would receive 15% of the CIL from this development which equates to £125,250.

Key points to remember when spending CIL

Parish Councils who have shared their CIL spending plans with the District Council are included in the Chichester District Council's Infrastructure Business Plan (IBP) which is approved by the Council in March. This is a live document which will be rolled forward each year and is updated annually through consultation and liaison with the Parishes.

It is good practice for the Parishes 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.

City, 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 City, 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 City, 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 (ie. the previous financial year). The report must be published on the City, Parish or Town Council's website if they have one.

The report must also be sent to Chichester District Council before 31st December. The District Council will publish all reports on its website as well. It would be good practice to put a summary of the report in any Parish newsletter or on public noticeboards.

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.



For more information on CIL please contact:

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