

Community Infrastructure Levy

Guidance for Parish
and Town Councils

Warwick District Council
April 2021



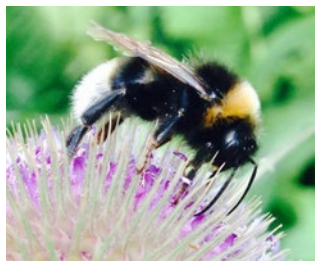
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Introduction Overview

Warwick District Council (WDC) has produced this guide to assist Parish and Town Councils (PTCs) within the districts of Kenilworth, Leamington Spa and Warwick to understand their responsibilities relating to Community Infrastructure Levy (CIL). Further information is available on the Council's website and advice is available from WDC officers.

CIL is a levy that local authorities charge on developments to assist in the delivery of infrastructure to support development in their area. The levy was introduced by the government through the Planning Act 2008 and the CIL Regulations 2010 (as amended).

WDC completed the necessary consultation exercises and underwent a successful CIL Examination. CIL was subsequently formally adopted by the Council with effect from 18th December 2017. WDC's adopted Charging Schedule sets out the rate per square metre for developments which are liable to pay CIL, this is payable on commencement. Developments not included on the Charging Schedule will not be charged CIL; the Charging Schedule is indexed and updated each year and can be found at: https://www.warwickdc.gov.uk/downloads/file/5848/2020_cil_charging_schedule



WDC Responsibilities

WDC is responsible for collecting, administering, monitoring and enforcing developer contributions secured through CIL. This includes calculating the amount of CIL payable on individual developments, monitoring commencement of development and payment of CIL and calculating the amount of CIL to be passed on to PTCs. It also updates the CIL Charging Schedule annually to apply an index of inflation to keep the levy responsive to market conditions.

CIL income paid to Parish and Town Council

A portion of CIL income is paid to PTCs to be spent by them to offset the impacts of development in the area. The PTC must report on the CIL received and spent each year. The remaining CIL income is distributed by the District Council to selected infrastructure projects across the district. CIL payments to PTCs are made in April & October each year and are based on what development has taken place in that area and whether it has a 'made' Neighbourhood Plan in place:

PTCs that have a Neighbourhood Plan - 25% of income received for development in PTC area, which is uncapped.

PTCs with no Neighbourhood Plan - 15% of income received capped at £100 per council tax dwelling i.e. a Parish or Town with 500 dwellings cannot receive more than £50,000 of CIL receipts per year. WDC will update the number of council tax dwellings per PTC prior to calculating amounts due.

Development becomes CIL liable on the approval of a full planning application or in the instance of outline applications once the reserved matters have been approved. CIL is payable within 60 days of commencement of development or in line with WDC's Instalment Policy where the CIL charge meets the defined thresholds https://www.warwickdc.gov.uk/downloads/file/4711/cil_instalments_policy

When and how will the Parish / Town Council receive CIL monies?

CIL payments to PTCs are paid twice a year for the preceding 6 months' income. CIL income received between 1st April and 30th September will be paid by 28th October and CIL income received between 1st October and 31st March will be paid by 28th April. Payments to PTCs are calculated on 31st March and 30th September and can only include monies from CIL contributions that have been made by the developer and are confirmed as deposited in WDCs bank account.

How do Parish Councils identify projects?

It is important for parishes to consult with the local community to develop a list of the infrastructure priorities in the area. Publishing these priorities can help projects to be delivered in a timely and transparent way.

Through community engagement, the PTC should encourage the community to submit ideas for the neighbourhood portion of CIL, and the list of projects would be the primary starting point for the PTC to make decisions on allocating the funding. Other sources of information, e.g. area planning documents can be used by communities to identify infrastructure projects to support development.

Selection criteria for projects:

- Anyone can submit an idea to their local PTC
- Projects may be delivered by community organisations (including the PTC), council officers, or third party organisations
- External groups and organisations must be registered with a Regulatory Body (e.g. Charities Commission and/or Companies House)

All projects must:

- Meet the terms of the CIL Regulations (2010)
- Reflect the priorities of the Council and Neighbourhood
- Have community backing (including any adopted Neighbourhood Plan)
- Support, or mitigate the impact of development in an area
- Be a one-off project (or identify and agree longer-term revenue implications)
- Benefit the broadest section of the community
- Provide value for money

Communities should be aware that funds will be accessible only once and projects should not have ongoing running costs for the PTC unless this has been agreed in writing by the Council's relevant Director. Communities are encouraged to support project maintenance and to seek additional forms of funding, e.g. through crowdfunding to match the amount.



What can Town and Parish Councils spend CIL on?

The Community Infrastructure Levy (Amendment) Regulations 2013 - CIL Regulation 59C:

A local 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

Examples of potential infrastructure items

- Allotments
- Litter bins
- Monuments / memorials
- Public Toilets
- Provision of parking places for vehicles, bikes, and motorbikes
- Seats / shelters / bus shelters
- Signage / public notices
- Community gardens/ open space
- Children's play spaces
- Tree Planting
- Projects to improve the public realm, like bulb planting by residents, public artwork etc.
- The installation of defibrillators
- Climate change / 'Green' projects

Examples CIL income **cannot** be spent on:

- Firework Displays, Carnivals, Christmas Lights,
- Improvements to Council Offices or other operational buildings,
- Provision of improvements to existing allotments sites e.g. locker rooms or toilets, that do not address the demands imposed on an area by development i.e. additional allotments
- Ground maintenance, verge mowing or hedge cutting.
- Improvements to parks and other open spaces that 'do not address the demands imposed on the area by development'

Note: the lists above are not exhaustive.

Providing CIL is spent in accordance with Regulation 59C, CIL monies may be used as match funding with other income streams and / or may be spent collaboratively with other parish councils, community interest companies or other providers to make the most efficient use of funding to benefit the community.

What if the Parish / Town Council mis-spend or do not spend their CIL income?

Please note - after a period of 5 years from the date CIL income is received, if it is not spent in full then WDC may reclaim monies back by sending the PTC a repayment notice; WDC would spend the CIL income on their behalf and in consultation with the PTC. Exceptions may be made if the PTC can demonstrate they have allocated their CIL income to a particular project for which they are accumulating funds before spending.

If the PTC mis-spends CIL income, i.e. if it has not spent CIL in accordance with the CIL Regulations WDC will send the PTC a repayment notice for the mis-spent funds. The PTC must repay the amount specified in the notice to the District. If a PTC wishes to obtain prior approval from WDC for planned projects in advance of incurring expenditure they may do so.

If the PTC is unable to repay the amount specified in the repayment notice the WDC will recover the amount from future CIL income the PTC are due to receive.



How do Parish and Town Councils pay the monies to projects who submit a successful bid?

Each Parish and Town Council have financial regulations that govern the conduct of financial management by the Council. Financial regulations are observed in conjunction with the Council's standing orders and any individual financial regulations relating to contracts. Therefore, each individual PTC must decide the way in which to pay the funding to projects and whether successful applicants receive it directly or forward invoices for the work as it is done. There could also be VAT implications which may need to be considered.

Parish and Town Council reporting responsibilities

The PTC must record all CIL receipts, carried over CIL, and expenditure for each year; guidance on CIL reporting by PTCs in Warwick District https://www.warwickdc.gov.uk/downloads/file/6688/cil_reporting_guidance_for_parish_and_town_councils

PTC CIL reporting template -

https://www.warwickdc.gov.uk/downloads/file/6689/wdc_cil_annual_report_template_for_parish_and_town_councils

plus a completed 'Example' of a report

https://www.warwickdc.gov.uk/downloads/file/6690/example_-_wdc_cil_annual_report_template_for_parish_and_town_councils

Reporting Year 1 April to 31 March - the report should be published on PTC website and a copy sent to WDC no later than 30th June following the reported year.

Supporting Information

CIL Guidance

<https://www.gov.uk/guidance/community-infrastructure-levy>

Planning Portal

<https://www.planningportal.gov.uk>

WDC website

https://www.warwickdc.gov.uk/info/20798/community_infrastructure_levy_cil

Neighbourhood Planning CIL Toolkit -

<https://neighbourhoodplanning.org/toolkits-and-guidance/understanding-community-infrastructure-levy-cil/>

Specific queries relating to CIL can be directed to WDC's CIL Officer at CILAdmin@warwickdc.gov.uk

