

Community Infrastructure Levy

A guide for parish and town councils



Basingstoke
and Deane

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Overview

This guide is intended to assist parish and town councils in the borough, and to provide an insight into the implementation of the Community Infrastructure Levy. This guide does not cover the arrangements for non-parished parts of the borough for which separate procedures apply.

1) Introduction

1. This guide for parish and town councils introduces the Community Infrastructure Levy (CIL) as implemented by the borough council.
2. It provides background information and explains the processes for collecting CIL funds from new developments and for spending these funds to support the delivery of new infrastructure.
3. The information provided includes a flowchart on page 8 that summarises the processes and the typical timings associated with the collection of CIL funds. It also identifies the proportion of CIL funds that will become available to parish and town councils to be spent on local priorities and the associated annual reporting requirements.
4. There is information on the different types of infrastructure that parish and town councils can choose to spend their proportion of the CIL funds on to address local infrastructure priorities. An overview of the annual reporting requirements for parish and town councils is also provided together with some sources of further information and contact details towards the end of this guide.



2) Background

5. The Community Infrastructure Levy (CIL) is a mechanism by which local authorities raise funds from new development, which is paid by landowners or developers when new developments are built.
6. CIL is a tariff system that provides a transparent method for new developments to contribute towards the funding of new infrastructure. The CIL funds are then used to assist with the funding of new infrastructure to support the development of the borough and to help mitigate the wider impacts of new development.
7. The borough council is a charging authority under the CIL Regulations. At a meeting on 22 March 2018, the borough council approved introducing CIL, taking effect for residential planning applications determined from 25 June 2018.
8. As a charging authority, the borough council can collect and spend CIL. This is charged in pounds (£) per square metre at differential rates according to the type of residential development and by location. This means that a residential development granted planning permission from this date may be liable to pay CIL if it is 100 square metres or greater of gross internal floor area, or creates more than a single dwelling (other than self-build dwellings).
9. The Government made it possible for local authorities to charge CIL in 2010 to raise additional funding for the delivery of new infrastructure and Basingstoke and Deane Borough Council became a Charging Authority in 2018. CIL funds are intended to address the cumulative impacts of development, including those detailed within the Basingstoke and Deane Local Plan. CIL is levied on new development in proportion to the amount of new floor space created by that development, albeit non-residential is zero rated in our CIL Charging Schedule.
10. The additional funds raised by CIL are intended to supplement other existing sources of infrastructure funding including capital funding and grants. Although these CIL funds will not address the entire infrastructure needs of the borough, they provide additional opportunities for the funding of new infrastructure.

11. As set out in the CIL Regulations, CIL is payable within 60 days of 'commencement' of the development. The borough council has introduced an [Instalments Policy](#) to allow for phased payments for those developments which generate larger CIL sums.

12. With planning permissions usually being valid for three years and with some CIL payments being paid in instalments, the scale of the CIL funds raised through the initial years of operation are likely to be modest, albeit these funds have the potential to accumulate over time.



13. The CIL rates for the borough were established with reference to the supporting viability evidence that was the subject of a consultation and an examination in public, which took place during September 2017. The CIL rates set by the examiner came into effect on 25 June 2018 for relevant new planning permissions granted since that time.

14. The chargeable CIL rate depends upon the development viability. Different CIL rates for different forms of residential development apply in different parts of the borough, as set out by the current [Charging Schedule](#) while non-residential development has a zero rate.

3) Charging Schedule and the borough council's CIL rates

15. The current [Charging Schedule](#) sets out the CIL rates on a pounds (£) per square metre basis for eligible new residential development, taking into account the nature of the

proposals and their location within the borough. These are index linked and the rates are adjusted accordingly each year.

16. The [Charging Schedule](#) provides further information regarding the various CIL rates, and the types of eligible residential development for which CIL is chargeable, etc. The [Charging Schedule](#) can be viewed on the borough council website (see Section 8).



4) Neighbourhood Fund

17. The regulations provide for a proportion of the raised CIL funds to be passed to the relevant parish or town council to form a Neighbourhood Fund to be spent on local priorities. The borough council retains the remaining proportion to provide strategic infrastructure to benefit wider areas of the borough.
18. If a parish or town council chooses not to receive this proportion of the raised CIL funds, the parish or town council must inform the borough council (see paragraph 39).
19. The neighbourhood fund equates to a minimum of 15% of the received CIL funds up to an annual cap, equivalent to £100 per council tax dwelling in the parish. This means that for a parish with 250 council tax dwellings, the annual cap results in a maximum transfer of up to £25,000 per year.

20. For those parishes covered by a Neighbourhood Plan, an increased proportion of 25% of the raised CIL funds applies without any annual cap (see Table 1), enabling the Neighbourhood Fund to potentially grow more rapidly.

Table 1 – Proportion of CIL funds to be passed to parish and town councils

Neighbourhood Plan in place	Proportion of CIL funds passed to parish and town councils for the neighbourhood fund
No	<u>15%</u> of the CIL funds subject to an annual cap equivalent to £100 per council tax dwelling within the parish
<u>Yes</u>	<u>25% of the CIL funds uncapped.</u>

5) How is CIL paid to parishes?

21. The relevant proportion of raised CIL funds (as per Table 1) will be passed to the corresponding parish or town council every six months, typically at the end of April and September.

22. The flowchart on page 8 provides a summary of the CIL transfer process to parish and town councils and the associated annual reporting requirement detailed in Section 7.

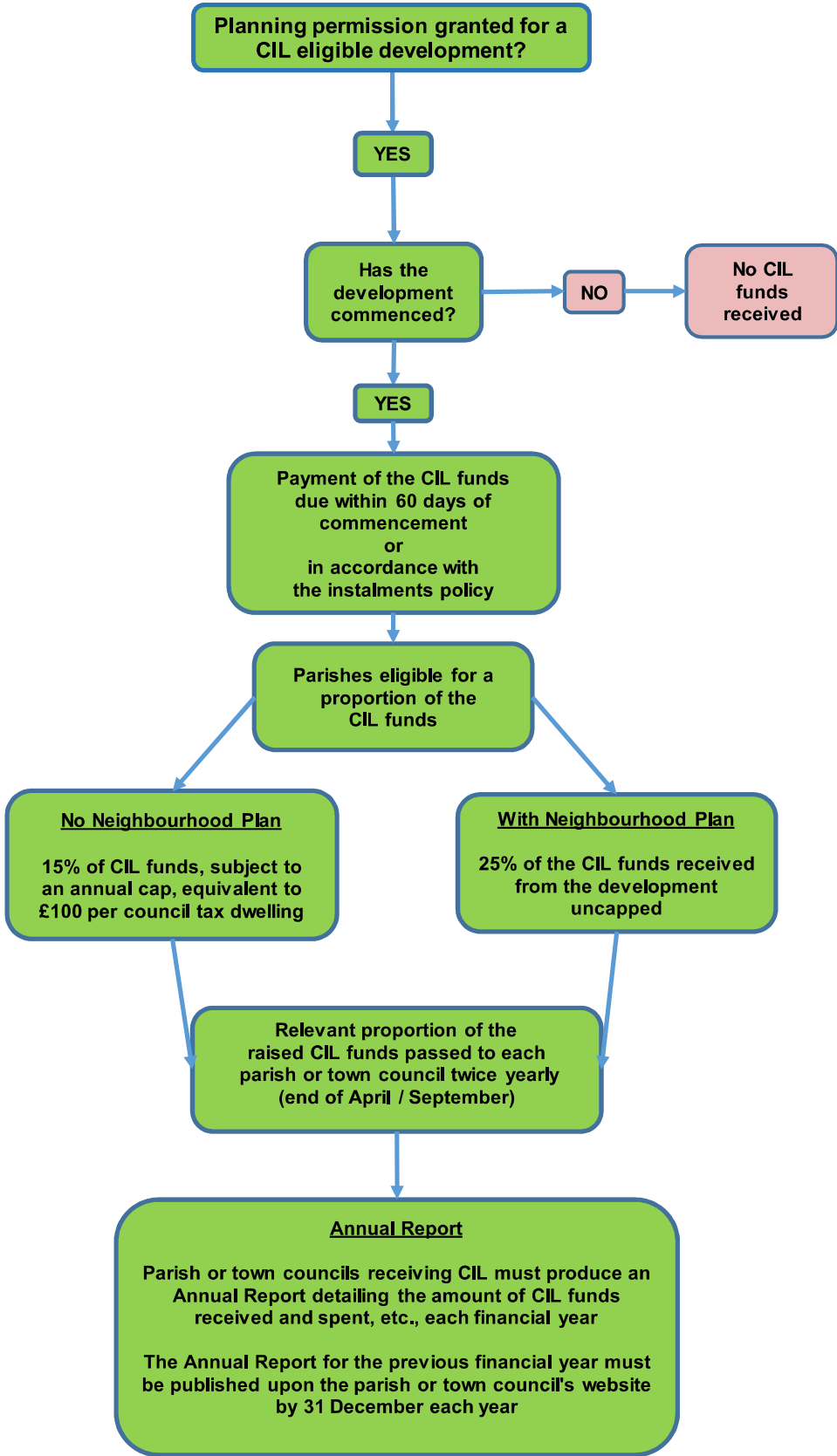
6) Spending the CIL funds received by parish and town councils

23. The CIL Regulations allow parish or town councils to determine how they spend their CIL funds (neighbourhood fund) towards improvements needed to help mitigate the impacts of development within the parish. The CIL Regulations state that these funds must be used ***“to support the development of the local 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.”

CIL funds for parish and town councils



24. This definition provides wide spending powers for parish or town councils to decide how best to spend their neighbourhood fund. The spending of the Strategic Proportion by the borough council is more constrained as the CIL Regulations require that this is limited to infrastructure needed to support the development of the borough.

25. The Town and Country Planning Act 2008 broadly defines ‘infrastructure,’ which typically includes the following broad categories:

Table 2 – Types of infrastructure

Infrastructure	Typical infrastructure facilities
Physical	Highways and transportation, pedestrian and cycle networks, energy supplies, utilities, flood alleviation measures.
Social	Education, health, social care, community halls, sports halls.
Green	Public open spaces, play areas, parks.

26. The spending of the Neighbourhood Fund is at the discretion of each parish or town council. Therefore each parish or town council must be satisfied that their spending decisions are taken in accordance with the CIL Regulations, and any other relevant legal requirements that go beyond the remit of this guide.

27. When considering the spending of the Neighbourhood Fund, each parish or town council needs to think about the extra demands likely to be generated by the developments in each parish, and the infrastructure needed to support these developments.

28. The parish or town council’s spending decisions should demonstrate a strong relationship between the proposed infrastructure improvements and the emerging development pressures within each parish.

29. Parish or town councils also need to consider the likely on-going operational and maintenance costs associated with any proposed new infrastructure and how these future costs will be met for the life of this infrastructure.

30. The regulations also require that if any of the CIL funds passed to the parish or town councils are not spent within five years or are not spent in accordance with the CIL Regulations, then these funds may need to be handed back to the borough council.

31. In the event that a parish or town council becomes concerned that this situation may arise, they are advised to make contact with the borough council at the earliest opportunity (paragraph 39).

7) Reporting by parish and town councils

32. In the interests of transparency, the CIL Regulations require that each parish or town council that receives CIL funds publishes an Annual Report detailing the CIL funds received and spent for each financial year.

33. The CIL Regulations set out the specific information to be included within an Annual Report, which goes beyond the remit of this guide. The CIL Regulations have been the subject of various amendments since 2010 and there remains potential for further amendments in the future. Parish or town councils need to check the specific requirements of the CIL Regulations each year, prior to preparing and publishing their Annual Report.

34. Typically the Annual Report needs to include at least the following information for the previous financial year (this is not a definitive list):

- total CIL receipts
- total CIL expenditure
- a summary of what the CIL was spent on
- the total amount of unspent CIL, plus the total amount of unspent CIL retained from previous years
- any CIL that has been handed back to the borough council

35. The specific elements to be included within the Annual Report are detailed within Section 121B of [The Community Infrastructure Levy \(Amendment\) \(England\) \(No. 2\) Regulations 2019](#).

36. The CIL Regulations require that the Annual Report must be published on the parish or town council's website no later than 31 December following the reported year. For example, for the 2019/2020 financial year the Annual Report must be published by 31 December 2020 and a copy passed to the borough council.

37. If a parish or town council does not have a website, the Annual Report must be published on the borough council website. Copies of each parish or town council's Annual Report need to be provided to the borough council no later than 31 December following the reported year.



8) Further information

38. Further information about CIL can be found on the national GOV.UK website and the borough council website including the [Instalments Policy](#) and the [Charging Schedule](#), the background to Basingstoke and Deane's CIL and frequently asked questions:

[GOV.UK Guidance Community Infrastructure Levy](#)

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

[BDBC Community Infrastructure Levy](#), [Instalments Policy](#) and [Charging Schedule](#)

- <https://www.basingstoke.gov.uk/CIL>
- <https://www.basingstoke.gov.uk/content/doclib/2564.pdf>

39. If you have an enquiry about the Community Infrastructure Levy please email:

- CILparish@basingstoke.gov.uk

www.basingstoke.gov.uk/planning-obligations

01256 844844 | deit@basingstoke.gov.uk

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