

Community Infrastructure Levy (CIL) –

A Guide for Parish / Town Councils

What is the Community Infrastructure Levy (CIL)?

The Community Infrastructure Levy (CIL or ‘the levy’) is a charge on development which was adopted by the South Downs National Park Authority (SDNPA) on the 1st April 2017. The funds collected by the SDNPA are then spent on infrastructure needed to support the growth (of the new developments) planned in the National Park. Some of this money is also directly paid to parishes in which the development occurred in.

Each CIL charging authority produces a ‘charging schedule’ which outlines the charging rates at which CIL is applied. The SDNPA have charging rates for Residential development, Large Format Retail, and ‘Any Other’ development. Residential development is charged at two rates £150pm²/£200pm² depending on the developments location in relation to the ‘charging zones’ (See end of document for SDNPA Charging zones). Large Format Retail is charged at £120pm² and ‘Any Other’ is charged at £0pm².

S106 and CIL: What’s the difference?

The new CIL charge aims to replace the majority of Section 106 legal agreements which are negotiated on a case by case basis. The SDNPA will still have Section 106 agreements but these will be primarily used to secure affordable housing and any site specific works.

Collecting CIL funds

It is important to know that CIL is not payable until commencement of development. In addition, the amount of CIL received will depend upon whether any exemption or relief has been applied. The SDNPA also have a payment policy for larger lump sums of CIL, and therefore Parish / Town Councils may not receive all their entitled CIL receipts in one go.

Instalment policy:

- 1) Where the chargeable amount is less than £50,000**
 - The chargeable amount will be required within 60 days of commencement.
- 2) Where the chargeable amount is equal to or greater than £50,000 and less than £200,000**
 - Two equal instalments at 60 and 120 days after commencement
- 3) Where the chargeable amount is equal to or greater than £200,000**
 - 25% paid at 90 days after commencement, 25% paid at 120 days and 50% paid 270 days after commencement

Exemptions from paying CIL

There are a number of ways in which developments can receive full exemption or relief from paying the CIL charge i.e. they do not pay any CIL money. Exemptions from the CIL charge can be applied for if the development is a self-build house, extension or annex. Social housing and developments

under a charity can also be fully exempt from the CIL charge. In cases where an exemption is received and therefore no money is due, there will be no parish payment awarded.

How is CIL spent by the SDNPA?

CIL funds are spent on relevant infrastructure that is needed to support the local development of the area. The levy is to be spent by the authority on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies unless those deficiencies will be made more severe by new development. The infrastructure the SDNPA will fund is pre-determined for the following year by the Infrastructure Business Plan (IBP). The IBP is generated alongside the Local Plan which identifies the most 'needed' infrastructure. The list is updated yearly setting out plans for expenditure in a 5-yr rolling programme.

Money paid to Parishes

The amount of CIL monies each Parish / Town Council receives from new development within their areas will depend upon whether there is a Neighbourhood Plan in place, as set out in the CIL Regulations 2010 (as amended).

For those Parish / Town Councils with a made Neighbourhood Plan will receive 25% of all the CIL funds collected from new development within their area. Those Parish / Town Councils without a Neighbourhood Plan will receive 15%.

In addition, those Parishes without an approved Neighbourhood Plan will also have their CIL funds capped to £100 per council tax paying dwelling in a financial year. For example, if a parish has 10 council tax dwellings the maximum amount the parish will receive in the financial year is £1,000.

How and when will parishes receive their money?

The portion of money paid to Parish / Town Councils will be through a BACS transfer and will happen twice yearly at the end of April and October. The SDNPA has contacted each Parish / Town Council to gain bank account details to promptly pay any CIL funds. Without these details, payment may be delayed. If you have not provided your details please contact the SDNPA (contact details below) so the SDNPA can set up the relevant transfer of funds.

What can a parish spend their portion of money on?

A Parish / Town Council must use CIL money passed to it to support the development of the local council's area, or any part of that area, by funding the provision, improvement, replacement, operation or maintenance of infrastructure.

Examples of expenditure for parishes include the provision of a sports hall, play area, bus stop, or education provision. Parish funds can also be used for the provision of affordable housing, unlike the SDNPA's portion of CIL funds which cannot be used in relation to affordable housing.

Auditing, monitoring and reporting of CIL money

Parish / Town Councils are also required to keep records of payments received and how that money has been spent.

The SDNPA will be issuing a reporting form for you to complete and return to us each year and the SDNPA will publish the details as part of our Infrastructure Business Plan and Annual Monitoring Reports.

As set out in the Regulations, if Parish / Town Councils do not spend the CIL money within 5 years and / or spend the money not in accordance with the Regulations, the SDNPA will request the money to be refunded.

For more information, please visit: <https://www.southdowns.gov.uk/planning/community-infrastructure-levy/>

For any questions please do not hesitate to contact us by email on: CIL@southdowns.gov.uk