

COMMUNITY INFRASTRUCTURE LEVY (CIL)

GUIDANCE FOR PARISH AND TOWN COUNCILS

What is the Community Infrastructure Levy (CIL)

- Huntingdonshire District Council has been a CIL Charging Authority since 1st May 2012 and from that date; most new development has been liable to pay CIL.
- The amount of CIL payable is determined by the Gross Internal Area (GIA) of the development and the applicable CIL rate/s.
- There is also the ability to offset existing floorspace on change of use and demolition of existing buildings, subject to meeting certain criteria.
- The CIL is collected from development in order to pay for the infrastructure that is, or will be, needed to support new development.
- The CIL does not replace previous S106 contributions used to cover a range of obligations including key strategic infrastructure, such as education, health and transport, and local infrastructure, such as public open space.
- However changes in S106 legislation mean that many infrastructure needs previously covered by S106 could now be funded via CIL.

What are the HDC CIL Rates?

The HDC CIL rates are set out in the **CIL Charging Schedule 2012** as follows:

Proposed Charge for development types	CIL rate (per square metre)
All development types unless stated otherwise in this table	£85 (standard rate)
All A Class Uses 500 sq m or less	£40
All A Class Uses >500 sq m	£100
All Class C1 Uses	£60
All Class C2	£45
Health (D1)	£65
Business (B1), General Industrial, Storage & Distribution (B2 and B8), Community Uses ⁽¹⁾ (within D1 - except Health Uses - and D2) and Agricultural	£0

⁽¹⁾ Community uses are ones provided by the public, not-for-profit or charitable sectors

The Current year's rates after indexation can be found on our website
www.Huntingdonshire.gov.uk/CIL under Calculating and Paying CIL

How is CIL calculated?

- The CIL will only be assessed once a planning permission has been granted.
- The Huntingdonshire CIL Charging Schedule 2012 sets out the charge per square metre that will apply to each category of new development where new floorspace is being created.
- In certain circumstances CIL may also be charged where planning permission is granted to change the use of existing floorspace.
- The standard charge of £85 per sq m will apply to all new floorspace created unless a different rate is set out in the charging schedule.
- The CIL rate is subject to indexation each year

When is CIL payable?

- The CIL Demand Notice (the invoice) is issued on commencement of development.
- The amount of time given for payment to be paid and the provision of payment by instalments is dependent on the chargeable amount and can be further categorised where phasing has been permitted.
- A copy of the District Council CIL Instalment Policy can be found in the linked documents section of the CIL webpage – as detailed at the end of this note.

What is the Town/Parish Council 'Meaningful Proportion'?

- Under the requirements of the Community Infrastructure Levy Regulations 2010 (as amended), 15% of the CIL collected as a result of development in a given parish area will be passed to the relevant Town/Parish Council – this is more commonly known as the 'meaningful proportion'.
- Payments will be capped to £100¹ per council tax dwelling per year, for example, a Parish/Town with 500 dwellings cannot receive more than £50,000 of CIL receipts per year.
- In areas with no Town/Parish Council, the 15% of CIL must be used by the charging authority to support the development of the relevant area.
- Areas with an adopted Neighbourhood Development Plan the amount to be passed to the Parish/Town Council will be 25% with no cap.

¹ Indexed to the year the payment is passed to the parish/town council

How and by when must the 'Meaningful Proportion' be spent by the Town/Parish Council?

- The CIL Regulations 2010 (as amended) require the 'meaningful proportion' to be used to support the development of the local area by funding:
 1. The provision, improvement, replacement, operation or maintenance of infrastructure; or
 2. Anything else that is concerned with addressing the demands that development places on an area
- This provides Town/Parish Councils with a much more flexible approach for spending their CIL receipts in comparison to the powers of District Council.
- Such wider spending powers for the Town/Parish Council allow the local community to decide what they need to help mitigate the impacts of development in their area.
- This may be for a local project, or the Parish may decide to contribute their proportion of the funding to the more strategic projects which are being supported by the District Council, such as an education expansion project required that will support their locality – as noted above the CIL receipts are now needed to deliver many infrastructure items previously funded under S106 and, as such, Town/Parish Councils will have important and difficult decisions to make to prioritise their infrastructure delivery.
- Any spend of CIL funding must fit within the usual powers of the Town/Parish Council and their Powers of Competence.
- Where the infrastructure to be supported is not permissible due to the responsibilities of the Parish /Town Council then this may still happen by agreeing for the money to remain / be passed back to the District Council for them to have spent in accordance with the wishes of the local community.
- Decisions on the expenditure of the 'meaningful proportion' funds are at the Parish Council's discretion, provided that it is in accordance with the CIL regulations.
- If a Town/Parish Council has failed to spend CIL funds transferred to them within a period of 5 years from the date of initial receipt, or has not applied the funds in accordance with the Regulations then the District Council can serve a notice on the Town/Parish Council requiring it to repay some or all of the receipts that had been transferred to them.

When will the Town/Parish Council receive a payment of the 'Meaningful Proportion'?

- The District Council will normally make payment in respect of CIL it receives from 1 April to 30 September to the Town/Parish Council by 28 October of that financial year, and pay the CIL received from 1 October to 31 March by 28 April of the following financial year.

What are the reporting requirements for the Town/Parish Council?

- To ensure transparency Town/Parish Councils must publish each year (the financial year) their:
 - total CIL receipts;
 - total expenditure;
 - a summary of what the CIL was spent on; and
 - the total amount of receipts retained at the end of the reported year from that year and previous years.
- Reports can be combined with other reports already produced by Town/Parish Councils and should be placed on their website and a copy of the report is required to be sent to the District Council.
- Where a Parish/Town does not have a website the District Council can, upon request, publish this information on its website on the Town/Parish Council's behalf.
- The CIL report must be published and sent to the District Council no later than 31st December following the reported year (the financial year).
- Town and Parish Councils may use the reporting template provided by Huntingdonshire District Council

Further Details

More information about CIL can be found on the Huntingdonshire District Council Website:

<http://www.huntingdonshire.gov.uk/cil>

Please contact Tania Adams, Implementation Officer if you have any specific questions.



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