



## **COMMUNITY INFRASTRUCTURE LEVY**

### **Advice for Parish Councils**

#### **CIL Implemented September 2013**

|                                       |   |
|---------------------------------------|---|
| <b>The Charging Authority</b>         | The Charging Authority is Chorley Council.                  |
| <b>Date of Schedule Taking Effect</b> | The Charging Schedule came into effect on 1 September 2013. |
| <b>Version and Date</b>               | Version 2: Implemented 01 September 2019                    |

## Contents

|   |          |
|---|----------|
| <b>Summary of CIL Allocations to Parish Councils</b>                  | <b>3</b> |
| <b>Payment Periods</b>  | <b>3</b> |
| <b>How the Funds Must be Spent</b>                                    | <b>3</b> |
| <b>Ascertaining CIL Infrastructure Projects</b>                       | <b>4</b> |
| <b>Governance and Spend</b>   | <b>5</b> |
| <b>Parish Council Reporting Requirements</b>                          | <b>5</b> |
| <b>Useful Links</b>   | <b>6</b> |
| <b>Glossary</b>   | <b>6</b> |
| <b>Appendices</b>   |          |
| Appendix 1: Ascertaining CIL Infrastructure Projects - Checklist      | 7        |
| Appendix 2: Infrastructure Definition (Section 216(2) of The PA 2008) | 8        |
| Appendix 3: Parish Infrastructure Investment Plans (PIIPs) Guidance   | 9        |
| Appendix 4: Reporting by Parish Councils (Reg.121B)                   | 11       |
| Appendix 5: Parish Council Annual CIL Report - Templates              | 12       |

### Please Note

The information relating to CIL contained in this guide is intended to assist Parish Councils with their requirements and obligations under the CIL Regulations. It should, however, not be regarded as definitive advice.

It is not intended to replace the need to read and understand the CIL Regulations and Governmental Advice on CIL. If in doubt, Parish Councils are advised to seek their own professional advice.

## Summary of CIL Allocations to Parish Councils

Under the CIL Regulations, Chorley Council is required to pay to Parish Councils 15% of any CIL receipts from developments within those areas.

The table below is a quick guide on how the CIL is allocated to Parish Councils, and how it is allocated in the event of no Parish Council.

**Figure: relationship between the levy and neighbourhood plans in England**

|  |   |
|--|---|
| Parish Council ✓<br>Neighbourhood Plan ✓<br>= 25% uncapped, paid to Parish                             | Parish Council ✓<br>Neighbourhood Plan ✗<br>= 15% capped at £100/dwelling (indexed for inflation), paid to Parish                             |
| Parish Council ✗<br>Neighbourhood Plan ✓<br>= 25% uncapped, charging authority consults with community | Parish Council ✗<br>Neighbourhood Plan ✗<br>= 15% capped at £100/dwelling (indexed for inflation), charging authority consults with community |

The amended Regulations state that this proportion of funds must be utilized as follows;

**Reg.59c.** A local council must use CIL receipts passed to it 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.*

This is a wider definition from that which Chorley Council can use CIL funds (restricted to infrastructure to support the development of the area). These wider spending powers allow the local community to decide what they need to help mitigate the impacts of development.

## Payment Periods

The Charging Authority (Chorley Council) will pass accumulated funds to the Parish Council every 6 months, and the Parish Council is required to report on the receipts and expenditure each year.

- CIL receipts received by the Council between 1 April to 30 September, are to be paid to Parish Councils by 28 October.
- CIL receipts received by the Council between 1 October to 31 March, are to be paid to Parish Councils by 28 April.

## How the Funds Must be Spent

As per the CIL Guidance on the Planning Guidance website: "What can neighbourhood funding be spent on?" it states that;

"The neighbourhood portion of the levy can be spent on a wider range of things than the rest of the levy, provided that it meets the requirement to 'support the development of the area' [as per Regulation 59c]. The wider definition means that the neighbourhood portion can be spent on things other than infrastructure (as defined in the Community Infrastructure Levy regulations) provided it is concerned with

addressing the demands that development places on the parish's area. For example, the pot could be used to fund affordable housing.

Parish or town councils should discuss their priorities with the charging authority during the process of setting the levy rate(s) [this includes amendments to levy rates].

Once the levy is in place, parish or town councils should work closely with their neighbouring councils and the charging authority to agree on infrastructure spending priorities. If the parish or town council shares the priorities of the charging authority, they may agree that the charging authority should retain the neighbourhood funding to spend on that infrastructure. It may be that this infrastructure (for example, a school) is not in the parish or town council's administrative area but will support the development of the area."

If a Parish Council has failed to spend CIL funds passed to it within 5 years of receipt or has applied the funds not in accordance with the Regulations, then Chorley Council can serve a notice on the Parish Council requiring it to repay some or all the receipts passed. Chorley Council will be required to spend any recovered funds in the Parish Council's area.

### **Ascertaining CIL Infrastructure Projects**

It is important to note that Chorley Council (as the CIL Collecting and Enforcement Authority) cannot say nor advise which projects selected by a Parish Council would be acceptable, as the legislation is subjective rather than prescriptive. Therefore, it is entirely possible that one Officer doing the analysis of spends may not agree upon another Officer's interpretation.

As such, each Parish Council needs to ensure that they can confirm / evidence as best they can that the project / items / infrastructure proposed can meet the definitions in the main. It is the case that the parameters under CIL **Regulation 59c** for Parish spend should be proven for any project.

So, it would be prudent for a Parish Council to ask themselves the following questions (see APPENDIX 1 for a project evidence checklist):

- 1) Does it constitute infrastructure as defined by Section 216(2) of the Planning Act 2008, and amended by Regulation 63 of The Community Infrastructure Levy 2010? (see APPENDIX 2).
- 2) If the answer to 1) is yes, will the proposed spend;
  - a) Provide; Replace; Improve; Maintain; or Enable the Operation of said infrastructure?
- 3) If the answer to 1) is yes, HOW does the proposes spend:
  - a) Provide; Replace; Improve; Maintain; or Enable the Operation of said infrastructure?
- 4) If the answer to 1) is no, does the proposed spend address the demands that any new development has placed on the Parish?
- 5) If the answer to 4) is yes: What are the demands?
- 6) Can the demands be evidenced as to be related to the new development?
- 7) How does the proposed spend address the said demands?

If the answers to 1) and 4) are both 'No', then it is unlikely the proposed spend will meet the requirements of the CIL regulations, and a different project will need to be considered.

## Governance and Spend

Providing CIL is spent in accordance **Reg.59c**, Parish Council CIL monies may be used to provide seed or match funding with other income streams and / or may be spent collaboratively with other Parish Councils, Community Interest Companies, or any other type of providers / companies, that would make the most efficient use of funding to benefit the community.

As with any spend, it would be prudent for Parish Councils to create a Procedure Policy to demonstrate how they will identify projects for consideration;

i.e. Parish Resident Applications, identified need via the Local Plan, Local Development Plans, etc.

The procedure should also consider how often the Parish Council would wish to assess such proposed projects for eligibility, and a system by which they would identify a proposed project as having priority for allocation of CIL spend, to ensure fair allocation, and transparency of process for their residents.

Parish Councils may also wish to consider preparing a Parish Infrastructure Investment Plan (PIIP) to inform their spending decisions.

Proportionate to the size of the community and anticipated levels of development within the area, a PIIP may help Parish Councils to audit existing facilities within the locality, capture opinion on the needs and wants of residents, and identify opportunities for collaborative spending to achieve the best use of funding sources for the benefit of the community. See APPENDIX 3 for Guidance on PIIPS.

Please note a Procedure Policy and / or PIIP are not requirements of the CIL Regulations.

All Parish Councils are free to apply, or not, their own governance of their CIL spend. This is for best practice guidance only.

Alternatively, if you wish to consider developing a Neighbourhood Development Plan, please contact our Planning Policy Team.

## Parish Council Reporting Requirements

Parish Councils are required by the Community Infrastructure Levy Regulations 2010 (as amended) to publish their total CIL Receipts.

These reports must include; CIL income received, total CIL expenditure; a summary of what the CIL was spent on; and also, the amount of receipts retained at the end of the reported year from that year and previous years.

See APPENDIX 4 for Parish Council reporting requirements under Reg.121b.

These reports can be combined with other reports already produced by the Parish Councils, but differentiation must be clear with regards to CIL income and expenditure, and other Parish Council income / expenditure.

See APPENDIX 5 for examples of report templates that Parish Councils could utilise.

Parish Councils **MUST**; send a copy of their CIL Annual Report to the Charging Authority, and publish said CIL Annual Report on their website, by no later than 31 December following the end of the reported year.

## **Useful Links**

The following websites offer a range of advice and guidance on the Levy, your reporting responsibilities, and how to spend it.

**[General Guidance:](#)**

**[Spending the Levy:](#)**

**[National Association of Local Councils:](#)**

## **Glossary**

|                       |   |
|-----------------------|---|
| <b>CIL</b>            | Community Infrastructure Levy – a planning charge that allows Parish authorities in England and Wales to raise funds from developers undertaking new building projects in their area. |
| <b>Parish Council</b> | A Parish or Town Council.   |
| <b>Local Council</b>  | In England, a Parish Council  |

## APPENDIX 1

### Parish Council – Guidance on Ascertaining CIL Infrastructure Projects – Check List

|                      |  |
|----------------------|--|
| Project Description: |  |
|----------------------|--|

|          |  |   |
|----------|--|---|
| <b>1</b> | Does your project constitute infrastructure as defined by Section 216(2) of the Planning Act 2008, and amended by Regulation 63 of The Community Infrastructure Levy 2010?   | <b>Yes / No</b> <i>(delete as appropriate)</i><br><br><b>Which one:</b> _____ |
| <b>2</b> | If the answer to 1) is yes, will the proposed spend; <ul style="list-style-type: none"> <li>a) <b>Provide</b> said infrastructure;</li> <li>b) <b>Replace</b> said infrastructure;</li> <li>c) <b>Improve</b> said infrastructure;</li> <li>d) <b>Maintain</b> said infrastructure; or</li> <li>e) <b>Enable</b> the operation of said infrastructure.</li> </ul>            | <b>Yes / No</b><br><br><i>(delete as appropriate)</i>                         |
| <b>3</b> | If the answer to 1) is yes, <b>HOW</b> does the proposes spend: <ul style="list-style-type: none"> <li>a) <b>Provide</b> said infrastructure;</li> <li>b) <b>Replace</b> said infrastructure;</li> <li>c) <b>Improve</b> said infrastructure;</li> <li>d) <b>Maintain</b> said infrastructure; or</li> <li>e) <b>Enable</b> the operation of said infrastructure.</li> </ul> |   |

|          |   |   |
|----------|---|---|
| <b>4</b> | If the answer to 1) is no, does the proposed spend address the demands that any new development has placed on the Parish? | <b>Yes / No</b> <i>(delete as appropriate)</i>                    |
| <b>5</b> | If the answer to 4) is yes: What are the demands?   |   |
| <b>6</b> | Can the demands be evidenced as to be related to the new development?   | <b>Yes / No</b> <i>(delete as appropriate)</i><br><br><b>How:</b> |
| <b>7</b> | How does the proposed spend address the said demands?   |   |

If the answers to 1) and 4) are both 'No', then it is unlikely the proposed spend will meet the requirements of the CIL regulations, and a different project will need to be considered.

## APPENDIX 2

### Infrastructure As Defined By Section 216(2) Of The Planning Act 2008

S216 of the Planning Act 2008

- (1) Subject to section 219(5), CIL regulations must require the authority that charges CIL to apply it, or cause it to be applied, to funding infrastructure.
- (2)
- (2) In subsection (1) “infrastructure” includes—
  - (a) roads and other transport facilities,
  - (b) flood defences,
  - (c) schools and other educational facilities,
  - (d) medical facilities,
  - (e) sporting and recreational facilities, and
  - (f) open spaces, ~~and~~
  - (g) ~~affordable housing (being social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008 (c. 17) and such other housing as CIL regulations may specify).~~

Community Infrastructure Levy Regulations 2010

Infrastructure: amendment to section 216 of the Planning Act 2008 63.—

- (1) Section 216(2) of PA 2008 (application) is amended as follows.
  - (2) At the end of paragraph (e) insert “and”.
  - (3) At the end of paragraph (f) for “, and” substitute “.”.
  - (4) Omit paragraph (g).

## APPENDIX 3

### Parish Infrastructure Investment Plans (PIIPs) Guidance

#### What is a PIIP?

PIIPs are optional, non-statutory documents that do not form part of the Chorley Local Plan and are not a material planning consideration. It will not form part of the Joint Local Plan either. Speak to our Planning Policy Team for further information on the Local and Joint Local Plans.

#### Why create a PIIP?

PIIPs could help Parish Councils to:

- Identify the infrastructure and investment needs within their community.
- Provide an evidence base for spending decisions on locally identified priorities.
- Identify sources of funding and opportunities for matching funding streams to make the most efficient use of income.
- Assist with external funding bids - providing evidence of local investment needs and priorities.
- Provide transparency to local communities - explain where local investment is being targeted.
- Encourage engagement by members of the community who use / will use the facilities and services being delivered.
- Provide a local perspective to help Chorley Council gain a better understanding of the communities' priorities.

#### What should the PIIP be based upon?

The PIIP should be evidence-based, identifying current/existing infrastructure, and assessing the impact of new development on this infrastructure. Sometimes this process can also identify gaps in infrastructure provision, for example identified growth in the numbers young or older people but a lack of facilities for them locally.

As infrastructure investment decisions affect all members of a community, the Parish Council should make efforts to engage as many people as possible in the process.

The PIIP should also be responsive to changes in development and infrastructure. So that it remains a reliable tool for decision-making, we recommend a PIIP is reviewed at least once a year.

#### How to prepare a PIIP.

We have provided a list of areas which would be useful for Parish Councils to explore - should they wish to create a PIIP – and will assist in creating a list of potential projects, or priority investment areas (i.e. play, education, POS).

- Existing infrastructure audit – could include a list of:
  - 1) services and facilities within the local area;
  - 2) their condition,
  - 3) location, and;
  - 4) existing capacity.
- External infrastructure audit – as above. Are there any services and facilities outside the PIIP area that are used by the community?
- Community Infrastructure needs and/ or aspirations. This would probably be based on any gaps identified via the audits above. Listing the needs / aspirations in priority order would assist in forward planning of CIL spend.
- Community engagement- consider how the views of the community could be best sought and recorded. Utilise these to inform current and future needs within the PIIP.
- Expected growth – location, size and timing of development sites. What impact would these have on community needs?

### **How and where should the PIIP be published?**

We recommend the PIIP is published on the Parish Council website and a hard copy made available for those without internet access.

We also recommend a copy of the PIIP is sent to the Chorley Council Planning Obligations Team. This will assist us in understanding your Parish's intentions and enable us to collaborate with other relevant Council teams to facilitate a cohesive partnership to enable you to achieve your communities' aspirations and objectives.

## APPENDIX 4

### PARISH COUNCIL ANNUAL CIL REPORT

#### Reporting by parish councils (Regulation 121B)

1. A parish council must prepare a report for any financial year (“the reported year”) in which it receives CIL receipts.
2. The report must include:
  - a. the total CIL receipts for the reported year;
  - b. the total CIL expenditure for the reported year;
  - c. summary of CIL expenditure during the reported year including
    - i. the items to which CIL has been applied;
    - ii. . the amount of CIL expenditure on each item;
  - d. details of any notices received in accordance with regulation 59E, including:
    - i. the total value of CIL receipts subject to notices served in accordance with regulation 59E during the reported year;
    - ii. . the total value of CIL receipts subject to a notice served in accordance with regulation 59E in any year that has not been paid to the relevant charging authority by the end of the reported year.
  - e. the total amount of:
    - i. CIL receipts for the reported year retained at the end of the reported year; and
    - ii. CIL receipts from previous years retained at the end of the reported year.
3. The parish council must:
  - a. publish the report:
    - i. on its website;
    - ii. on the website of the charging authority for the area if the parish council does not have a website; or
    - iii. within its area as it considers appropriate if neither the parish council nor the charging authority have a website, or the charging authority refuses to put the report on its website in accordance with paragraph (ii); and
  - b. send a copy of the report to the charging authority from which it received CIL receipts, no later than 31st December following the reported year, unless the report is, or is to be, published on the charging authority’s website



## APPENDIX 5

### Parish Council Annual CIL Report – Template 2

Parish:

Financial Year: \*\*\*\*/\*\*\*\* (covering period from 1<sup>st</sup> April \*\*\*\* to 31<sup>st</sup> March \*\*\*\*)

#### Total CIL Summary

|   |   |
|---|---|
| Total CIL receipts for the reported year    | £ |
| Total CIL expenditure for the reported year | £ |

#### CIL Fund Expenditure (Details)

| Items of infrastructure to which CIL has been applied   | Amount of expenditure on each item |
|---|------------------------------------|
|   |                                    |
|   |                                    |
|   |                                    |
| Details of any notices received in accordance with regulation 59E including:  |                                    |
| i. The total value of the CIL receipts subject to notices serviced in accordance with regulation 59E during the reported year;  |                                    |
|   |                                    |
| ii. The total of CIL receipts subject to a notice served in accordance with regulation 59E in any year that has not been paid to the relevant charging authority by the end of the reported year. |                                    |
|   |                                    |

#### CIL Receipts Retained

|  |   |
|--|---|
| For the reported year retained at the end of the reported year | £ |
| From previous years retained at the end of the reported year   | £ |

Signed: \_\_\_\_\_ Position: \_\_\_\_\_

Verified: \_\_\_\_\_ Position: \_\_\_\_\_

To be published on the website and a copy sent to the Planning Obligations team no later than 31<sup>st</sup> December following the reported financial year.

## APPENDIX 5

### Parish Council Annual CIL Report – Template 3

Name of Parish Council:

Financial Year: \*\*\*\*/\*\* (covering period from 1<sup>st</sup> April \*\*\*\* to 31<sup>st</sup> March \*\*\*\*)

#### a) CIL Receipts

|   |          |
|---|----------|
| Reporting year:<br>Total amount of CIL received in financial year (****/**) | £        |
| Previous years:<br>Total amount of CIL received in financial year (****/**) | £        |
| <b>TOTAL RECEIVED</b>   | <b>£</b> |

#### b) CIL Expenditure

|   |   |
|---|---|
| Total amount of CIL spent in financial year (****/**) | £ |
|   |   |

#### c) Items on which CIL has been spent

| Infrastructure scheme / project | CIL expenditure (amount) |
|---------------------------------|--------------------------|
|                                 |                          |
|                                 |                          |
|                                 |                          |
|                                 |                          |

#### d) Monies requested / recovered from Parish Council (Reg 59E, 59F)

|   |   |
|---|---|
| Monies which have been requested, or recovered, from the Parish Council in the financial year (****/**) | £ |
|---|---|

#### e) CIL retained

|  |          |
|--|----------|
| i. Total amount of CIL received in financial year (****/**) and retained (unspent) at the end of the reported year (****/**) | £        |
| ii. Total amount of CIL received in previous years and retained (unspent) at the end of the reported year (****/**)          | £        |
| <b>Total CIL receipts retained (unspent)</b>   | <b>£</b> |

Signed: \_\_\_\_\_ Position: \_\_\_\_\_

Verified: \_\_\_\_\_ Position: \_\_\_\_\_

To be published on the website and a copy sent to the Planning Obligations team no later than 31<sup>st</sup> December following the reported financial year.