



ARUN DISTRICT COUNCIL

Community Infrastructure Levy (CIL)
Guidance for Parish & Town Councils



April 2020
www.arun.gov.uk/cil

Introduction

The Community Infrastructure Levy (CIL) is a charge that local authorities can set on new developments in their area. Its purpose is to raise funds for infrastructure needs in the area to support growth.

Arun District Council is responsible for collecting and allocating the neighbourhood element to Town & Parish Councils that fall within the Arun District Charging Authority Area. This is the area within the Arun District outside of the South Downs National Park Authority Area.

The legislation which sets out how CIL is spent requires that a portion of the CIL income raised from development, within a charging authority area is paid to the Town & Parish Council where the development has taken place. This is referred to as Neighbourhood CIL.

The information contained within this guide is intended to assist Town & Parish Councils (referred to within this guidance note as “local councils”) to understand their responsibilities relating to CIL.

CIL Rates

The Arun CIL Charging Schedule sets a fixed rate per square metre (sqm) of new floorspace. Developments creating one or more dwellings, or new floorspace of 100sqm or more, could be charged CIL.

CIL Regulations set out indexation arrangements for calculating the CIL. An annual index, which is called the RICS Community Infrastructure Levy Index must be applied to the CIL Levy rates in order to ensure that they keep up with inflation. New rates will be published by 31 December each year, by the Royal Institute of Chartered Surveyors (RICS).

Please find a link to the Arun CIL Charging Schedule below (this will work if you are reading this guidance online) and go to www.arun.gov.uk/cil for more information including interactive CIL zones maps and a Frequently Asked Questions document.

[Arun CIL Charging Schedule Jan 2020.pdf \[pdf\] 1MB](#)

How CIL is allocated for expenditure

Once CIL has been received it is split in the following way as per the CIL Regulations

➤ Administration

This is 5% of the CIL retained by Arun District Council to pay for systems and salaries of staff that manage CIL collection and spend processes;

➤ **Neighbourhood CIL (the amount allocated to local councils)**

The legislation which sets out how CIL is spent requires that a portion of the CIL income raised from development, within a local council area, is paid to that local council where development has taken place. The portion passed on will depend on whether the local council has a 'made' Neighbourhood Development Plan (NDP) in place or not.

The amount passed on to local councils depends on the following:

- the amount of development that has been granted and commenced in the local council area (CIL payment is only due upon commencement of the development).
- if all/any part of that development is granted exemption of relief from some/all of the CIL charge.
- If the local council has a 'made' neighbourhood development plan or not. The following table sets out the proportion of CIL passed to a local council depending on whether it has a 'made' NDP or not:

Neighbourhood Plan?	Portion of Levy
Yes	25% uncapped, paid to parish/town council
No	15% capped at £100/dwelling, paid to parish/town council

There are four parishes within Arun District Charging Authority Area that the 15% rule applies to. These parishes will receive a 15% portion of CIL receipts from development in their area, limited to £100 per council tax dwellings in the area. This capped amount will be monitored by Arun District Council on a monthly basis.

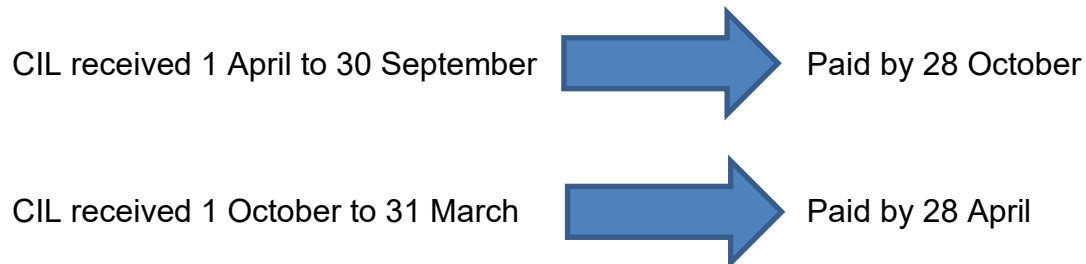
➤ **District CIL**

The rest of the CIL goes to the District Infrastructure CIL Fund which is then allocated to infrastructure projects that make the development in the area sustainable – e.g. extensions to schools and health. This may be spent on infrastructure projects identified in the Local Plan's Infrastructure Delivery Framework or through bids received.

At the time of writing Arun District Council is in the process of reviewing its District CIL spending strategy. This will be published in due course.

When and how will Local Councils receive CIL monies?

The CIL Officer will record income from CIL receipts in each local council area and will instruct payment of either 15% (capped) or 25% to each local council. Unless agreed otherwise, the Council will make these payments twice a year based on Regulation 59D of the CIL Regulations 2010 (as amended).



How Should Local Councils Spend CIL Receipts?

CIL receipts are to be spent by local councils within five years of receipt and it must be spent on (see Regulation 59C of the CIL Regulations 2010 as amended):

- ✓ providing, replacing, improving, operating or maintaining infrastructure that supports development in the area; or
- ✓ anything else concerned with addressing the demands that development places on the area.

Infrastructure includes:

- Roads and other transport facilities
- Flood defences
- Schools and other education facilities
- Sporting and recreational facilities (for example upgrades to play equipment)
- Open spaces
- Green Infrastructure (may include tree or hedgerow planting)

Unlike charging authorities, the CIL Regulations do not allow local councils to set aside 5% of CIL income for administration costs. However, if it can be shown that the administrative burden on the area becomes significantly more demanding as a result of development in the area, then it may be allowable to spend CIL income on administration.

It is advisable that local councils start to prepare infrastructure and CIL spending lists to identify how they would like to spend CIL income. In preparing this list, it will be important to consider the following points:

- How will the project address the impacts of development taking place in the area (think about the potential impacts from your Neighbourhood Development Plan (NDP) for example)?

- Scheme costs – what will the project cost? Is it a manageable cost, to be covered by CIL receipts within 5 years of receipt?
- Delivery timescales and delivery partners – what are the timescales for delivering the project?
- Are there any delivery partners that could assist or jointly fund the project?
- Will your project tie in with service providers investment plans? For example, if you are aiming to fund an upgrade to a playground or plant more trees in your area, check whether this aligns with the District Council's intentions for the playspace or greenspaces. It may be that a Council project could be coordinated with a local council's project for example.

Communication and consultation on your infrastructure list with service providers will also help to understand whether the project is feasible and deliverable within 5 years of CIL receipt. The Council will welcome requests to assist with these infrastructure investment plans. Please contact us on CIL@arun.gov.uk to arrange to discuss this.

It is understood that in order to set a spending strategy, it is important to have a rough estimate of how much CIL money will be available on an annual basis. The Council will work on preparing trajectories for each parish and will be able to provide a rough estimate in liaison with each parish. This figure can only be an estimate.

The Council will be happy to meet local councils to discuss infrastructure lists and CIL spending. Please contact CIL@arun.gov.uk to with any queries.

What do Local Councils need to do?

CIL received by local councils **must** be spent within 5 years. This is a requirement of Regulation 59E of the CIL Regulations. Arun District Council may serve a notice on the local council to repay some or all the neighbourhood CIL receipts that are not spent in accordance with the Regulations.

Local councils **must** also record all CIL receipts, expenditure and CIL receipts carried over to the following monitoring year. They **must** prepare an Annual CIL Report for each financial year (1 April to 31 March) they receive CIL. In accordance with Regulation 121B of the CIL Regulations 2010 (as amended), the report must include the following:

- Total CIL receipts for the reported year
- Total CIL expenditure for the reported year
- Summary details of CIL expenditure during the reported year including –
 - The items to which CIL has been applied;
 - The amount of CIL expenditure on each item
- Details of any notices received in accordance with regulation 59E, including –
 - Total value of CIL receipts subject to notices served in accordance with regulation 59E during the reported year;

- 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
- The total amount of:
 - CIL receipts for the reported year retained at the end of the reported year;
 - CIL receipts from previous years retained at the end of the reported year.

See Appendix 1 for a Monitoring Report Template. It is advisable that this template is used by all local councils for consistency; ease of reference; and to ensure that all monitoring requirements are covered.

Local councils must publish the CIL Annual Monitoring report by 31 December following the reported year. **The reports must be published on their own websites, and on the Arun District Council's website.**

Although not a mandatory requirement, Arun District Council would like to introduce the following system for publishing these reports as follows:

- **All local councils to submit their CIL Annual Monitoring Reports to CIL@arun.gov.uk by 1 October following the reported year, so that they can be checked for compliance with the regulations, and consistency with financial records. The reports can then all be published on Arun District Council and the local council's website, for ease of reference.**

How does the General Power of Competence (GPC) affect CIL spending by the Local Council?

Parish/Town Councils should consider how their statutory powers on spending affect their CIL expenditure decisions e.g. whether or not they have the General Power of Competence (GPC). Where a Parish/Town Council does not have a GPC, this will restrict the use of CIL funds to infrastructure or other matters which it has a statutory power to provide, maintain or improve.

What if the Local Council mis-spends or does not spend their CIL income?

Arun District Council will review the Annual CIL Report and where it believes CIL has been mis-spent and not in accordance with the CIL Regulations, then they will send the Parish/Town Council a CIL Repayment Notice. They must respond as required and make immediate arrangements to return the mis/unspent CIL to Arun District

Council, as directed. Arun District Council will then spend the CIL income to support the development of the area.

If the Parish/Town Council is unable to repay the amount specified in the CIL Repayment Notice, Arun District Council will claw back this amount from future CIL income that the Parish/Town may receive.

What does the Community Infrastructure Levy Officer do?

The CIL Officer is responsible for collecting, administering, monitoring and enforcing the CIL income. 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 Parish/Town Councils.

The CIL Officer can be contacted by email:

cil@arun.gov.uk

and there is more information available about CIL on our website:

www.arun.gov.uk/cil

Appendix 1 – Template for Town/Parish CIL Annual Monitoring Report (An editable version is available on the Arun CIL webpage)

xxxxxx TOWN/PARISH COUNCIL [Complete as appropriate]

CIL Monitoring Report (Regulation 121B)
1 April 2020 - 31 March 2021

*See Notes over page to help you complete the form.

Note No*	Details	
1 (refers to CIL received in each 6 month period)	CIL received for year 1 April 2020 - 31 March 2021	
	April 2020	£ Click here to enter text.
	October 2020	£ Click here to enter text.
	Total CIL receipts for reported year	£Click here to enter text.

Note No*	CIL Received but not spent	
2 (refers to CIL received but not spent in each of the periods)	CIL receipts retained	
	April 2020 – March 2021	£ Click here to enter text.
	[LEFT BLANK AWAITING FURTHER CIL REPORTING]	£ Click here to enter text.
	[LEFT BLANK AWAITING FURTHER CIL REPORTING]	£ Click here to enter text.
	[LEFT BLANK AWAITING FURTHER CIL REPORTING]	£ Click here to enter text.
Total Amount of unspent CIL receipts for reported years		£Click here to enter text.

Note No*	Details of any notices received in accordance with Regulation 59E, including:	
3 (refers to CIL to be repaid to ADC as requested in the Notice)	Amount	
	The total value of CIL receipts subject to the aforementioned notices during the reported year April 2020 – March 2021	£ Click here to enter text.
	The total value of CIL receipts subject to the aforementioned notices in any year that has not been paid to the relevant charging authority (CA) by the end of the reported year.	£ Click here to enter text.
	Total value of CIL receipts subject to aforementioned notices for reported year	£Click here to enter text.

Note No*	CIL Spent	
4 (refers to CIL spent within period)	Amount	
	Total CIL spent during April 2020 – March 2021	£ Click here to enter text.

Note No*	Summary of CIL expenditure during this reported year
5 (requests a summary of CIL expenditure)	<p>Please provide project details (in table below), to include:</p> <ul style="list-style-type: none"> Identify which of the following criteria (a) or (b)- the project meets. <i>(a) The provision, improvement, replacement, operation or maintenance of infrastructure: or</i> <i>(b) Anything else that is concerned with addressing the demands that development places on an area.</i> Total cost of project CIL contribution to project Details on any additional funding if required to complete the project.

Project details and either (a) or (b) criteria		Total project Cost	CIL contribution	If other funding required to complete project:	
(a) or (b)	Project Details brief summary	£	£	Type/Source	£

Notes:

1 Regulation 121B (2)(a) of the Community Infrastructure Levy Regulations 2010 (as amended) requires a local council to report the total CIL receipts for the reported year

2 Regulation 121B (2)(e) of the Community Infrastructure Levy Regulations 2010 (as amended) requires a local council to report details of 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 Regulation 121B (2)(d) of the Community Infrastructure Levy Regulations 2010 (as amended) requires a local council to report details of any notices received in accordance with regulation 59E¹, 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.

4 Regulation 121B (2)(b) of the Community Infrastructure Levy Regulations 2010 (as amended) requires a local council to report the total CIL expenditure for the reported year.

5 Regulation 121B (2)(c) of the Community Infrastructure Regulations 2010 (as amended) requires a local council to provide a summary of CIL expenditure during the reported year including

- (i) The items to which CIL has been applied; and
- (ii) The amount of CIL expenditure on each item.

Regulation 121B (3) (a) the parish council must publish the report:

- (i) On its website;
- (ii) On Arun District Council's website if the parish council does not have a website;

Regulation 121B (3) (b) the parish council must send a copy of the report to Arun District Council's CIL Team, no later than 31 December following the reported year.

For further guidance on the CIL Regulations please refer to [Gov.uk - Community Infrastructure Levy](https://www.gov.uk/guidance/community-infrastructure-levy)

¹ Regulation 59E covers notices served by Arun District Council (ADC) on the Town or Parish Council requiring it to repay some or all of the CIL receipts where ADC believes some or all of the CIL received by the town or Parish Council has not been spent in accordance with the regulations as stated in Regulation 59C.
