



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

Introduction

On the 1st April 2019, Dorset Council took over the responsibility of CIL charging authority from the former district and borough council CIL charging authorities.

Government regulations requirement the charging authority to pass a proportion of its CIL receipts, known as the neighbourhood proportion, on to local town and parish councils in whose area the chargeable development takes place. This guidance note provides information about how the neighbourhood proportion should be used and how it should be reported.

What amount of CIL is passed onto town & parish councils?

- Where a neighbourhood plan has been adopted - 25% of CIL receipts
- Where no neighbourhood plan has been adopted - 15% of CIL receipts

When does the 25% for a neighbourhood plan take effect?

- The 25% proportion of CIL receipts for a town or parish with a neighbourhood plan will only be applied once the plan has been adopted/made by Dorset Council. The 25% will only be applied to planning applications granted permission after the neighbourhood plan has been made.
- All planning applications approved prior to a neighbourhood plan being made will only provide a 15% CIL contribution.

When will the CIL receipts be paid to town & parish councils?

Government regulations require that the CIL receipts must be passed over to the town and parish councils twice a year: The timeframe for doing this are shown below:

- All money collected from the 1 April to 30th September each year must be paid to town & parish councils by 28 October that year.
- All money collected from the 1 October to 31 March each year must be paid to town & parish councils by 28 April that year.

All town & parish councils will be notified by Dorset Council prior to any CIL neighbourhood payments being made and details of the development they relate to will be provided.

However parishes can monitor the planning applications in their area and find copies of CIL liability notices issued by searching for a planning application on the Dorset for You website. In addition Dorset Council is required to monitor CIL income and expenditure on an annual basis and publish this information on its web site.

What is the maximum amount that can be paid to town & parish councils in any financial year?

- Where a neighbourhood plan is adopted – all 25% of CIL receipts collected in a financial year are passed on to the town or parish council.
- Where no neighbourhood plan is adopted – 15% of CIL receipts up to a maximum amount can be transferred to town & parish councils in a financial year. The maximum amount is calculated as follows:
 - $£100 \times \text{number of dwellings in town/parish area} \times \text{indexation}$
 - Indexation is the increase in the BCIS All-in Tender Price Index rate from 2013 to the date a CIL charge is paid, to take into account inflation.
 - Please see example calculation below based on parish with 550 dwellings and a fabricated index rate of 1.15:
 - $£100 \times 550 \text{ dwellings} = £55,000$
 - $£55,000 \times \text{index rate of } 1.15 = £63,250$
 - Total amount that can be passed over in financial year is £63,250

What can the neighbourhood proportion of CIL be spent on?

Town and parish councils must use the CIL receipts they receive to support the development of their area, or part of the area. They can fund the following:

- The provision, improvement, replacement, operation or maintenance of infrastructure needed to support development.
- Anything else that helps to address the demands that new development is placing on their area.

This is a broad definition and allows some flexibility on the way in which the neighbourhood proportion can be spent.

Please contact the CIL Team at Dorset Council if you are in any doubt about how you should spend your neighbourhood proportion.

Reporting on CIL Income & Expenditure

The CIL regulations do not prescribe the way that town and parish councils should report on the CIL neighbourhood proportion it receives.

However, as a minimum we would advise that town & parish councils should report on the following in their annual financial reports and make this available on their website:

- Total CIL receipts received for the reported year
- Total CIL expenditure for the reported year
 - What items has money been spent on and how much has been spent on each item.
- Total amount of:
 - CIL receipts for the reported year retained at the end of the financial year
 - CIL receipts from previous years retained at the end of the financial year.
- Please contact the CIL Team if you are in any doubt about how to report on CIL income and expenditure.

What happens if a town or parish does not spend its CIL money within 5 years?

Where the CIL money passed to town & parish councils has not been spent within 5 years of receipt, the charging authority (Dorset Council) can require that the money is repaid. Any money recovered would then have to be spent by Dorset Council on supporting development of that local area.

What factors might reduce the amount of CIL income a town or parish can expect to receive?

As part of the CIL regulations, developers are able to claim relief from the CIL charge in certain situations. A claim for relief can reduce all or part of the CIL charge. The different types of relief which may affect the amount of CIL paid include:

- Self-Build relief – claimed by a person who plans to live in a house for at least three years.
- Social housing relief – relief from the CIL charge is granted where houses are for affordable use.
- Charitable relief – relief from the CIL charge is granted where houses are mainly or wholly to be used for charitable purposes
- Residential annexe and extension relief.

What if a town or parish council does not want to receive some or all of the CIL neighbourhood money collected in their area?

In the event that a town or parish does not want to receive their CIL money, they must notify Dorset Council in writing and it will then be retained on their behalf. The town or parish can then request that their CIL money is transferred to them at any time and this would be scheduled to happen in the next town/parish payment run. Where money remains unspent over a long period of time Dorset Council would engage with the town or parish to find a suitable solution for spending the money.

What happens where the area in which development has taken place has no parish council?

Where an area has no parish council, for example, in an area which only has parish meeting group. The CIL receipts collected would be retained and then spent by Dorset Council in discussion with the local community in the area where development has taken place.

Contact details for the CIL Team at Dorset Council

cil@dorsetcouncil.gov.uk
