

Guidance to Parish Councils on the Community Infrastructure Levy (CIL)

Introduction

The Community Infrastructure Levy (CIL) is a charge that local authorities can set on new developments. Its purpose is to raise funds for infrastructure needs in the area to support growth. Fifteen per cent of Community Infrastructure Levy receipts collected on developments within a parish boundary are passed directly to parish councils¹, rising to twenty five per cent if a Neighbourhood Development Plan is in place. The portion assigned to parish councils is referred to as **Neighbourhood CIL**.

When is Neighbourhood CIL paid?

The charging authority in Mole Valley is the District Council. It is responsible for collecting and allocating the neighbourhood element to the parish councils in its area. Under the CIL Regulations the neighbourhood portion of CIL is be paid to the appropriate parish council every 6 months, at the end of October and the end of April each year.

What can neighbourhood funding be spent on?

The neighbourhood portion of the levy can be spent on a wide range of things:

- The provision, improvement, replacement, operation or maintenance of infrastructure or
- Anything else that is concerned with addressing the demands that development places on an area

It can also be spent on projects such as funding affordable housing or the development of a neighbourhood plan where these projects would support development.

Obligations on the parish councils

Receipt of Neighbourhood CIL brings with it certain obligations and responsibilities on parish councils to ensure that the CIL regulations are being met. Parish Clerks are recommended to make themselves familiar with the Ministry of Housing, Communities and Local Government guidance on the CIL Regulations <https://www.gov.uk/guidance/community-infrastructure-levy>. The section in this guidance that covers the spending of the levy sets out the responsibilities that parish councils must address when administering Neighbourhood CIL for their areas.

Obligations can be summarised as follows:

¹ Capped in proportion to the number of houses in the parish

1. Work with neighbouring councils and Mole Valley District Council (as the charging authority) to agree infrastructure spending priorities. Where there is a neighbourhood plan this should be used to help guide priorities.
2. Consider publishing the agreed priorities.
3. Ensure that CIL funds are spent within 5 years of receipt and on appropriate projects (see 'what can neighbourhood funding be spent on?'). Where this does not happen Mole Valley District Council can require repayment of some or all of the funds.
4. Have in place administrative arrangements to handle and control the funds (section 151 of the Local Government Act 1972; Accounts and Audit Regulations 2011).
5. For each financial year when neighbourhood funds have been received through the levy, parish councils must publish information on their website covering:
 - a. Receipts for the reported financial year;
 - b. Total CIL expenditure for the reported year;
 - c. Summary of expenditure for the year stating the items funded and the amount spent;
 - d. Receipts held over the 5 year threshold and repaid or not repaid together with reasons and notices served by the charging authority;
 - e. Receipts not spent in accordance with the purposes of CIL.
6. Send a copy of the annual report to Mole Valley District Council by 31 December following the reported financial year. If no funds have been received it is not necessary to provide a report, but a statement indicating this is suggested in the interests of clarity.

This is Regulation 62A, which is an important requirement and it is recommended that parish clerks make themselves familiar with this aspect of their obligations which are in place to ensure transparency.

Advice from Mole Valley District Council

If you are unsure about the operation of CIL, your obligations, the type of projects that might be eligible, or you wish to know whether any receipts have been collected for your area, please contact either Rod Shaw (rod.shaw@molevalley.gov.uk) or Sarah Oram (sarah.oram@molevalley.gov.uk) in the Planning Department of Mole Valley District Council.