CIL meeting

29.03.2023

10am / MS Teams

- Community Infrastructure Levy (CIL) – money helps to fund infrastructure resulting from the cumulative impact of new development.

- Local Plans are accompanied by an Infrastructure Delivery Plan (IDP) which shows how the LP can be delivered i.e., what strategic infrastructure is needed to support the LP; when is the infrastructure needed (timescales); the rough costs and how it will be funded (where known).

- The IDP becomes out of date relatively quickly; therefore, each year CDC produce an Infrastructure Business Plan (IBP) in consultation with Parish and Town Councils, which keeps the IDP up to date.

- CIL is examined by independent examiner to determine If the charges are economically viable.

- To adopt the CIL, the IDP has to show to the examiner that there is a funding shortfall and without the CIL, the LP is unviable.

- CIL – charged against residential / retail / and purpose-built student accommodation developments. Based on square metre of floor space. Some builds are exempt e.g., self-builds and affordable housing.

- s.106 – used to mitigate the impact of an individual planning application – s.106 money is spent where it is collected; conversely, CIL can be spent where needed – the infrastructure could be anywhere in the District and need is determined by CDC Councillors.

- CIL only covers the LP area e.g., not within the SDNP (which has its own LP and CIL)

- CDC implemented CIL on 01.02.2016

- CDC charges and collects CIL – has joint working partnerships with WSCC and other infrastructure delivery partners e.g., education, health, and fire as a lot of infrastructure is provided by WSCC e.g., highways / social care and education. CIL can also be provided to the health authority and fire service etc. to provide essential infrastructure. However, the final decision regarding how much CIL is given to partners remains with CDC.

- CIL is also given to parish/town councils in line with central govt regulations – 25% with a made NP; or 15% if not. CIL is given to parish/town councils in April (collected to end of March) and October (collected April – end September).

- Public Facing Module on CDC's website shows how much CIL has been collected and how much money is expected.

- CDC does not need to approve a parish/town councils' CIL spend – provided it is compliant with regulations.

- CDC counsel against using CIL on private spends, or where there is another funding source e.g., education. CIL should be used where no other funding source is available to the parish/town council.

- CIL can be used to fund TRO applications / bus shelters / public amenities / playgrounds / sporting facilities etc. Projects should be realistic i.e., deliverable within 5 years with some idea of costs and date of delivery etc.

- CIL and s.106 work together. However, s.106 was scaled back when CIL was introduced.

- CIL is a non-negotiable levy (tax). Unlike s.106, it is not a planning obligation attached to a planning application.

- CIL does not have an expiry date – although parish and town councils *should* spend it within 5 years.

- CIL does not have to be handed back to the developer if CDC fails to spend it within a certain period.

- CIL is admin intensive and has strict regulations if d. For example, if a developer fails to submit the paperwork in the correct time-period, they could lose any relevant exemption from CIL e.g., as a self-builder!

- Parish/town Councils must publish their CIL Monitoring Reports (on their website) no later than end December each year, in accordance with the CIL regulations. CDC supply the form and will check they are correctly fill out before publication.

- Central Govt is currently consulting on changing CIL (17.03 - .9.06.2023). Parish/town councils can participate.

- A major change is proposed; from CIL to IL - Infrastructure Levy – which will consolidate various levies. The money would be collected at end of a build (rather than at the start as is currently the case with CIL) and based on the final gross development value - to prevent missing out on any valuation uplift.

- Any changes will be rolled out slowly over 10 years on a 'test and learn' basis with pilot Local Authorities running 3 systems (CIL / s.106 and the new IL).

- CDC are against the proposed changes and think it is a retrograde step. CDC predict it will mean less money collected and an increase in administrative costs e.g., legal fees / appoint 'in house valuers' for LAs / debt collectors / application to County Court to give debt collectors more powers / as a last resort to pursue the landowner – if LAs have the appetite to do this.

- CDC and other LAs are signposting the pandemic period when, in more cases than before the pandemic, CIL was not paid at the start of a build and developments were subsequently completed and CIL has remained unpaid. CDC are taking legal action against several developers and in some cases the debt collectors have been unsuccessful.

- The current CIL system sees the money collected upon commencement 'when spade its soil'. If a developer fails to pay the CIL, CDC can issue a Stop Notice and have enforcement powers. This is a good incentive for developers to pay. Once something is built / sold it is harder to collect the money.

- Govt. is proposing that LAs will borrow money to fund the Infrastructure Delivery Plan (IDP) – which supports the LP - in expectation that they will get CIL at the end of large developments to pay off the loan. CDC and other LAs think this is a risky strategy and would not implement this.

- Town/parish councils would still get a share of the IL, provided the money was realised. One of the consultation questions is what amount should the share be?