

COMMUNITY INFRASTRUCTURE LEVY: GUIDANCE FOR LOCAL COUNCILS



North Kesteven
DISTRICT COUNCIL

These guidance notes comprise two parts. Part 1 sets out what CIL funding local councils are entitled to and when they will receive it. Part 2 covers the national reporting requirements that local councils must follow.

PART 1: GENERAL

What is Community Infrastructure Levy?

Community Infrastructure Levy (CIL) is a new planning charge, introduced by the Government through the Planning Act 2008 and implemented by NKDC in January 2018. The purpose of CIL is to provide a fair and transparent means for ensuring that new developments contribute to the costs of delivering new infrastructure, such as schools and roads. CIL charging rates are set by individual charging authorities, and in NK, the levy applies to new dwellings and convenience retail stores.

NKDC is both a charging authority and collecting authority for CIL. This means that we both set CIL rates for NK and collect the levy from developers. A range of important CIL information, including NKDC's adopted CIL Charging Schedule, is available [here](#).

How does CIL benefit local councils?

Local councils (such as town and parish councils) are entitled to receive a proportion of the CIL collected for their area. Local councils with an adopted neighbourhood plan will receive 25 per cent of CIL collected from developments in their area. All other local councils will receive 15 per cent.

Not all local councils will therefore receive CIL funding. For those that do receive funding, amounts received will be dependent on developments taking place in their area and will be subject to fluctuation.

When will local councils receive their proportion of the levy?

CIL legislation requires collecting authorities to pass to local councils their proportion of the levy twice a year, in April and October. NKDC will transfer funds to local councils in accordance with these dates.

Are there any deadlines for local councils to spend their CIL funding?

Any CIL funding not spent within 5 years of receipt has to be returned to NKDC.

How are local councils allowed to spend their CIL funding?

Unlike section 106 contributions that tend to set specific spending restrictions, CIL funding can be spent on a broad range of local infrastructure. Examples could include:

- Repairing or purchasing children's play equipment
- Improving or maintaining public open spaces or village greens
- Repairing community buildings or purchasing new community facilities

Do local councils have to report on their CIL expenditure?

Yes. The CIL regulations require local councils to publish annual reports on their CIL receipts and expenditure.

PART 2: LOCAL COUNCIL REPORTING REQUIREMENTS

How should local councils' annual reports be published?

A local council's annual reports has to be published on its website, or on the charging authority's website if the local council does not have one. NKDC is also keen to publish all local councils' annual reports on its own website, so that the public can access all reports in one place.

What should a local council's annual report look like?

There is no national template for the annual report, however the reporting requirements are very specific. NKDC has produced a template that it encourages all local councils to use; this template has been designed to simplify the reporting process, and ensure all local councils in North Kesteven meet the requirements set out in the CIL Regulations.

When should annual reports be published?

A local council's annual report has to be submitted by 31st December every year.

What time period should an annual report cover?

The 'reporting year' is the financial year (1st April – 31st March), and each annual report must cover the most recent complete reporting year. For example:

- The annual report for the reporting year 2018/19 must be submitted by 31st December 2019
- The annual report or the reporting year 2019/20 must be submitted by 31st December 2020.

Does a local council have to complete an annual report if it hasn't received any CIL funding for a reported year?

No. Local councils only have to publish a report for those reported years that they receive CIL funding. This means no local councils are expected to publish a report by 31st December 2019. However some local councils will be required to publish reports by 31st December 2020, for funding they receive between now and April 2020.

Will NKDC remind local councils that they must complete their annual report?

Yes. Local councils will receive an email in September, November and December reminding them to complete their report.

How can local councils get further support and advice?

For advice and support regarding CIL, including spending your local council's funding and completing reports, please contact Michelle Hoyles, Compliance and Enforcement Team Leader:

- Michelle_hoyles@n-kesteven.gov.uk
- 01529 308112

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