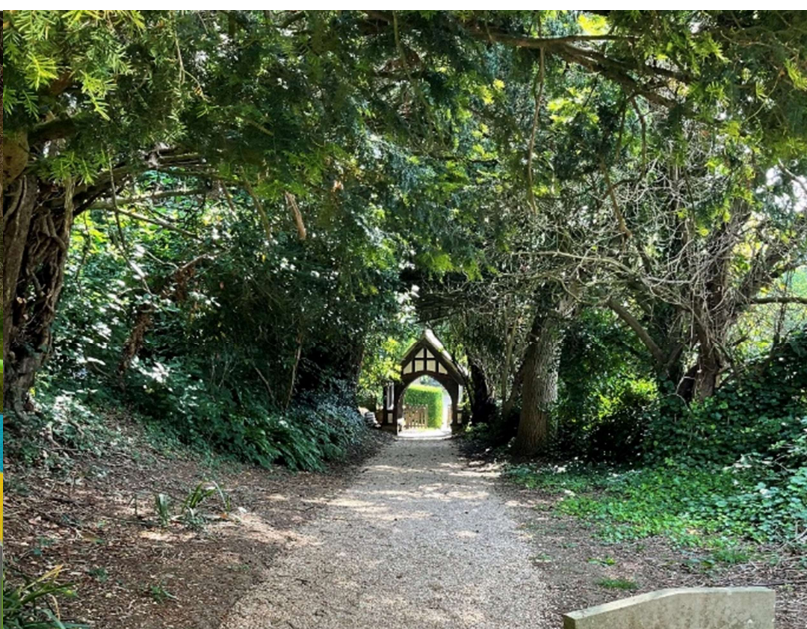


# Stroud District Council

## Community Infrastructure Levy

### Guide for Town and Parish Councils







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# Introduction

The Community Infrastructure Levy (CIL) is a charge on developers and landowners made when liable planning permissions are implemented. It allows Collecting Authorities to help fund the infrastructure that is needed as a result of development.

This guide is aimed to help members of Town and Parish Councils of the Stroud District. We hope to provide you with some understanding of the main legislative areas of CIL and information on how local neighbourhoods can have their apportionment of CIL monies, what it can be spent on and reporting requirements.

The CIL team at Stroud District Council welcome the opportunity to work with you. You can contact us for help and support via email to [cil@stroud.gov.uk](mailto:cil@stroud.gov.uk).

## What this guide covers:

1. What is CIL?
2. What will CIL be spent on?
3. How much CIL will be received?
4. Is there a limit on how much CIL we can get?
5. Do S106 Agreements still exist in the Stroud District?
6. How does SDC collect CIL?
7. When can we receive our share of CIL?
8. What can we spend the CIL 'Neighbourhood Portion' on?
9. What are our reporting requirements?
10. Further help and advice



# 1. What is CIL?

The Community Infrastructure Levy (CIL) was introduced by the Government through the Planning Act 2008. It provides a fair and transparent means for ensuring that new development contributes to help fund infrastructure, such as Education and Highways.

The levy applies to planning applications for all new dwellings/annexes, extensions where there is a gross new build floor space of 100m<sup>2</sup> or more, and the conversion of buildings that have not been 'in use'. The creation of supermarkets/retail warehouses in the Stroud District are also liable development for CIL. There are several exemptions which can be applied for which may result in non-payment of the levy, for example if a new dwelling is a Self Build.

CIL was adopted by Full Council on the 9<sup>th</sup> February 2017, and has been implemented at SDC since the 1st April 2017. It applies to all eligible development which gains planning permission after this date, including applications approved at appeal.

## Current CIL Rates at Stroud District Council (£/m<sup>2</sup>)

£80/m <sup>2</sup> Residential	£75/m <sup>2</sup> Supermarkets & Retail Warehouses	£0 Strategic sites identified in the Local Plan	£0 Residential sites within the Stroud Valleys area
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*\* The base rates are subject to annual indexation*



## 2. What will CIL be spent on?

Town and Parish Councils will receive either 15% or 25% of CIL collected for their area. This is explained in Part 3 below. As the CIL Collecting Authority, SDC can retain 5% of CIL collected for administrative costs. The remaining amount and majority of CIL will be used towards supporting the provision of large-scale strategic infrastructure.

SDC will support district wide strategic infrastructure through CIL funds which have been formally approved to be spent on within our Infrastructure Funding Statement. The Infrastructure Funding Statement is updated annually and can be viewed here: [CIL Spending and IFS | Stroud District Council](#).

Funding allocations will need to be prioritised and assessed by SDC as part of a bidding process involving delivery partners and agencies such as the County Council, Environment Agency and Health Authorities.

The table below provides a summary of the types of strategic infrastructure which may be funded:

Education	Social infrastructure
Transport & Highways	Canal infrastructure
Green infrastructure	Strategic flood risk management
Emergency Services	Health & Wellbeing infrastructure
Renewable or Low Carbon Energy	Strategic Waste & Recycling

Individual community projects cannot be supported by the CIL strategic portion. Local project groups seeking support through CIL should contact their relevant Town/Parish Council to see if their CIL neighbourhood portion could assist them (see Part 8). SDC will monitor CIL neighbourhood expenditure but will not be party to localised decision making using the neighbourhood CIL portion.

### 3. How much CIL will be received?

CIL legislation specifies that neighbourhood areas (Town and Parish Councils) will receive 15% of the CIL collected in their area, or if they have a formally adopted 'Neighbourhood Development Plan' (NDP), they will receive 25%.

If the Town/Parish Council has an adopted NDP covering only part of their Town/Parish Council area, the 25% uncapped CIL allocation is calculated for the NDP area only. This means that any development outside of the NDP area but still within the parish boundary would be subject to the 15% capped amount of CIL money.

If a development is over two Town/Parish boundaries, the CIL money will be divided accordingly using the floor area covering each area of the Parish or Town.

SDC cannot ask for payment for infrastructure from both an S106 agreement and CIL charge – this would be known as 'double dipping' and is not allowed. Strategic infrastructure that is identified to be funded by CIL cannot be requested in any S106 agreement. However, on some special occasions there may be instances where a CIL payment is sought and a S106 agreement is also made for that development to mitigate a special need, separate to what CIL will be funding.

#### *An example of CIL allocation:*

Planning permission has been granted for 2 new residential dwellings, measuring in total 248m<sup>2</sup>. The total charge of the floor area x £80/m<sup>2</sup> equals £19,840 (Indexation will be applied for the current financial year). This will be split into the following:

£992 CIL Admin 5%	£2,976 Neighbourhood 15%	£15,872 Strategic 80%
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*Areas with an NDP would benefit from £4,960 (25%) from this example.*

## 4. Is there a limit on how much CIL a Town/Parish Council can get?

CIL Regulations state that Town and Parish Councils without a Neighbourhood Development Plan have their allocation 'capped' at £100\* per existing dwelling paying Council Tax in that area each year. We monitor the number of dwellings paying Council Tax in each area annually therefore this entitlement may fluctuate, for example an increase in houses or houses being taken out of rating.

\*As with the CIL charging rate which changes annually due to indexation, the "cap" for neighbourhood funding also increases annually in line with market conditions. The below example uses the base rate.

For example; *"A Parish Council with no NDP has 600 existing dwellings paying Council Tax in their area. Therefore, a maximum of £60,000 could be received in CIL monies per financial year (600 dwellings x £100 cap)."*

If CIL monies collected for an area go over the capped amount, the excess amount would not be paid to the Town or Parish Council. Whilst this may sound limiting in principle, within the Stroud District it would be very rare for CIL payments not to fall well within the capped allowance. For Town & Parish Councils that do have a formally adopted Neighbourhood Development Plan, there is no cap on the amount of CIL that can be collected.



*A new Youth Shelter located at Kings Stanley Playing Fields, delivered by the Parish Council using Neighbourhood CIL funding towards the project. Delivered in February 2023.*



## 5. Do S106 agreements still exist in the Stroud District?

In most cases off-site infrastructure will now be paid for using CIL monies collected, replacing the use of S106 agreements on new permissions.

From April 2017 (when SDC implemented CIL) S106 agreements are now only used for:

- Major allocated schemes as identified in the district's adopted Local Plan
- Specific agreed affordable housing requirements
- On-site public open space and social provision
- Where there are very site-specific measures required to make a development acceptable (e.g. flood risk management, recycling and waste management, transport linkages etc).

## 6. How does SDC collect CIL?

In the Stroud District, CIL is payable on two types of development:

- 1) Residential development chargeable at £80/m<sup>2</sup>
- 2) Supermarkets and retail warehouses chargeable at £75/m<sup>2</sup>

There are some exemptions including older persons housing and affordable housing, sites within the designated Stroud Valleys exemption area, large strategic sites as identified in the Local Plan and self-build dwellings and extensions.

So that the value of the agreed CIL rates is retained over time, we apply indexation each year. Legislation dictates that we use the indexation figures provided by the Building Cost Information Service (BCIS) for the upcoming year, therefore the rate will fluctuate in line with current build costs. The charging rates for each year can be viewed here: [Liable Development and Charging Schedule | Stroud District Council](#) under "Indexation".





When a planning application is made, SDC ensures that the persons liable for CIL complete the necessary forms. Then, using a variety of information sources, we track the progress of planning applications and ensure that payments due are collected on time. This is not always a straightforward task, so we always appreciate hearing from Town and Parish Councils if a development has started that we may not know about. You can send any information to [cil@stroud.gov.uk](mailto:cil@stroud.gov.uk)

In line with the Regulations, CIL is paid in instalments over a period of time dependant on the amount due. The first payment of 10% is due 60 days after commencement of the chargeable development, this is the case for all sites. SDC's Instalment Policy can be viewed here: [Liable Development and Charging Schedule | Stroud District Council](#) selecting the "Instalment Policy" link. The higher the amount of CIL due, the longer the payment period and number of instalments.

In some circumstances, the amount of CIL levied will be payable immediately and in full if a disqualifying event occurs. There may also be cases where parties do not pay on time, and we must start debt recovery proceedings to recover the amounts owed. The Council has an Enforcement Procedure which can be viewed on the website here: [CIL Appeals, Surcharges and Enforcement | Stroud District Council](#).

## 7. When can we receive our share?

SDC make payments of collected CIL receipts on a six-monthly basis, no later than the 28<sup>th</sup> day in April and October each year. This is set by the legislation and therefore we cannot make payments outside of these months.

The CIL team will contact the Clerk to the Town/Parish Council by email to inform them how much has been collected for their area and to ask if their Council would like to claim the CIL monies accrued on their behalf. Amounts of over £500 will be automatically paid out, but lesser amounts can be retained by SDC until a more meaningful amount is collected to enable projects to go ahead. We encourage Town/Parish Councils to claim the funds available to them and ensure that they are spent within 5 years of receipt.



Due to the Instalment Policy and CIL liabilities being made over several payments, the CIL money available to the Town/Parish Councils twice yearly will be the total of what has been received on account from that development so far. The details of which developments have contributed will be detailed in Remittance Advice sent following payments to Town/Parish Councils.

## 8. What can we spend the CIL ‘Neighbourhood Portion’ on?

CIL monies should be used to ‘support the development of the area’ by funding;

- 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.

Whilst the above gives some broad guidance, there are no specific government processes for spending of the neighbourhood portion of collected CIL. Any spending on projects must fit within the usual Town/Parish Council powers of competence, but there is certainly scope for Town and Parish Councils to use CIL funds for a variety of project works they feel best address priorities expressed by their residents. Where an NDP has been made, the Parish/Town Council should consider how the Neighbourhood CIL portion can be used to deliver the infrastructure identified in that plan.

Whilst there is a preference for physical works to be delivered, CIL could also fund affordable housing schemes or the creation of a new or updated NDP which would then entitle them to benefit from future higher rate CIL receipts (25% uncapped) once adopted.

The CIL neighbourhood portion can be used by Parish/Town Councils to acquire land, provided it can be shown that it will support the development of their areas. This can include open spaces, sporting and recreational facilities. SDC welcome to opportunity to work with Town/Parish Councils on prioritising infrastructure provision. If you would like to seek the council’s views on any land



purchase for community use, please contact the team. Land purchases using CIL monies should be supported with the appropriate evidence of community importance and need, such as what may be covered with an NDP.

Unlike the requirements of S106 agreements, there is not a need for a CIL supported community project to be directly related to the development that funded it. There is also no opportunity for the developer to 'claw back' (request a refund), however it is important to be aware that SDC can claim back money allocated to Parish and Town Councils if it is not spent within 5 years (SDC will monitor your CIL spending through your reporting requirement explained below).



*Woodchester Parish Council used a total of £1,497.84 in Neighbourhood CIL funding towards installing a new play area within the parish. The play area is located next to the Cycle Path at the bottom of Selsley Road and was completed in March 2023*



*Nailsworth Town Council spent £2,588 of their collected CIL funding to upgrade the Christmas lights on the memorial Clock Tower in the town centre in November 2022.*



## 9. What are our reporting requirements?

CIL legislation dictates that each financial year, Town and Parish Councils must produce an annual report of all CIL receipts with an explanation of how the money has been spent or if it has been retained.

This report must be completed and made publicly available on the Town/Parish Council's website after the close of that financial year (April onwards). SDC also do their own annual summary of all CIL expenditure as part of their CIL obligations which is placed on the website no later than December of each year.

If possible, it would be very helpful to see this report submitted to us and published on Town/Parish websites no later than the end of October, so that we (as Collecting Authority) can include your information in the District's Annual Report for CIL by the end of the year. Reminders are sent via email in the Autumn including a template you may wish to use.

Your report will be monitored by SDC to review CIL neighbourhood spending along with all the other areas in the district. It is good practise for Town/Parish Councils to place a CIL statement on their website even if there have not been any CIL receipts in that year.

Please remember CIL monies claimed by a Town/Parish and left unspent on your account within 5 years of receipt must be returned to SDC as the CIL Collecting Authority (CIL legislation does not offer SDC any discretion to negotiate this 'claw-back' period).

Historic reports can be viewed here: [Town and Parish Councils - Neighbourhood CIL | Stroud District Council](#).

From January 2024 and at the start of each year moving forward, the team will send Town and Parish Councils a financial summary of their CIL account for areas to double check and verify to ensure records remain completely up to date.



# 10. Further help and advice

## Developing and delivering projects

The Gloucestershire Rural Community Council (GRCC) is very experienced at helping Town and Parish Councils with community planning and project work. They can assist with identifying project opportunities, prioritising ideas and funding advice. SDC are pleased to have an agreement with GRCC to provide free help to communities in our district, contact them at:

Email: [glosrcc@grcc.org.uk](mailto:glosrcc@grcc.org.uk) Tel: 01452 528491 Website: [www.grcc.org.uk](http://www.grcc.org.uk)

## The Planning Portal

This website is an invaluable tool for finding out about the planning process and relevant documents, policy and legislation. There is a specialist CIL area within the website which can be found by clicking on the 'Policy and Legislation' option.

[www.planningportal.co.uk](http://www.planningportal.co.uk)

## For more technical legislative guidance on CIL

The Government's own website provides further detailed guidance on CIL and how it operates, see [www.gov.uk/guidance/community-infrastructure-levy](http://www.gov.uk/guidance/community-infrastructure-levy) for more information.

## Your CIL Team at Stroud District Council

The CIL pages on SDC's website contain most of the information you will need. Go to [www.stroud.gov.uk](http://www.stroud.gov.uk) and click on 'Planning and Building Control' and then 'Community Infrastructure Levy (CIL)'.

If viewing this document online:

<https://www.stroud.gov.uk/environment/planning-and-building-control/community-infrastructure-levy-cil>

For advice on Neighbourhood CIL Payments, reporting requirements, and any other CIL matters you can contact us via email to [cil@stroud.gov.uk](mailto:cil@stroud.gov.uk).



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