



PLANNING COMMITTEE

MEMBERS UPDATE 2017/18
ISSUE: 10

Article of: Director of Development and Regeneration Services

Contact for further information: Mr Peter Richards (Extn. 5046)
(E-mail: peter.richards@westlancs.gov.uk)

SUBJECT: CIL Neighbourhood Funding

Wards affected: Borough wide

1.0 PURPOSE OF ARTICLE

- 1.1 To update Members on the CIL neighbourhood monies with regard to those sums received and spent by Parish Councils.
-

2.0 INTRODUCTION

- 2.1 The Community Infrastructure Levy (or 'CIL') was introduced nationally in April 2010. It allows local authorities in England and Wales to raise funds from developers who are undertaking new building projects in their area. The money can be used to help fund a wide range of infrastructure needed to support new development. The principle behind CIL is that most development has some impact on infrastructure and should therefore contribute to the cost of providing or improving infrastructure. CIL was adopted by the Council in July 2014 and took effect on all planning applications granted approval from 1 September 2014.
- 2.2 CIL must be administrated in accordance with the national Community Infrastructure Levy Regulations 2010 (as amended). The CIL charge due from any development is calculated based on the size, use and location of the proposal, in accordance with the Council's Charging Schedule. Developers must pay CIL when a development is commenced, usually in accordance with an adopted instalments policy. Instalment periods vary dependent on the amount of CIL which is payable.

2.3 CIL Regulations 59A and 61 set out that CIL receipts, received by the collecting authority (the Borough Council), should be apportioned as follows:

- 5% to administrative costs towards the management of CIL
- 15% to local councils (parish councils)
- 80% towards strategic infrastructure

The local council portion is also interchangeably referred to as the 'neighbourhood portion' or 'parish portion'.

2.4 Government regulations state that a minimum of 15% of the funds raised within a parish should be passed as the local portion. This rises to 25% where a neighbourhood plan is in place. However, in West Lancashire there are currently no neighbourhood plans, therefore 15% of funds will be passed on. This local portion makes sure that infrastructure improvements can be made directly in the areas where the development takes place. In those non-parished areas of the Borough, the 15% portion will be retained by the Council and spent in consultation with the local community.

2.5 In accordance with CIL Regulation 59D, the Council must pass receipts to parish councils as follows:

- Receipts received between 1st April and 30th September in any financial year will be passed to the parish council by 28th October of that financial year
- Receipts received between 1st October and 31st March in any financial year will be passed to the parish council by 28th April of the following financial year

3.0 PARISH COUNCIL RECEIPTS

3.1 To date, Parish Councils have received a combined total of £182,134.85 of CIL funding. Amounts vary dependent on the levels of chargeable developments commenced, and due amounts paid, in each of the parish areas. Table 1 provides an annual breakdown by parish.

Table 1: Parish Council receipts by financial year

| Received by Parish Council | 2015/16 | 2016/17 | 2017/18 | Total |
|------------------------------|-------------------|-------------------|-------------------|--------------------|
| Aughton | £2,771.91 | £4,584.82 | £26,027.93 | £33,384.66 |
| Bickerstaffe | | | | |
| Burscough | £1,683.00 | £51,844.91 | £11,061.25 | £64,589.15 |
| Dalton | | | | |
| Downholland | | | | |
| Halsall | | | | |
| Hesketh-with-Becconsall | £3,486.00 | £8,626.82 | £4,730.40 | £16,483.22 |
| Hilldale | | £863.60 | | £863.30 |
| Lathom | | | £636.75 | £636.75 |
| Newburgh | | | | |
| North Meols | | | | |
| Parbold | | | £14,101.85 | £14,101.85 |
| Rufford | | | | |
| Scarisbrick | | | £5,900.83 | £5,900.83 |
| Simonswood | | | | |
| Tarleton | | | £20,305.27 | £20,305.27 |
| Unparished – Ormskirk | | | £8,665.37 | £8,665.37 |
| Unparished – Skelmersdale | | | | |
| Up Holland | £6,426.00 | £5,074.50 | | £11,500.50 |
| Wrightington | £2,462.03 | | £3,241.62 | £5,703.65 |
| Total | £16,828.94 | £70,994.65 | £94,311.27 | £182,134.85 |
| Parish Council Report Due by | Dec 2016 | Dec 2017 | Dec 2018 | - |

4.0 PARISH COUNCIL EXPENDITURE

- 4.1 CIL Regulation 59C sets out that parish councils must spend their neighbourhood fund on "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". Parish Councils can choose what infrastructure they spend the money on, providing it satisfies this criteria.
- 4.2 Regulation 62A requires local (parish) councils to prepare a report for any financial year in which it receives CIL receipts. The Borough Council can request CIL monies to be returned by the Parish if they are a) not spent on appropriate infrastructure and/or b) not spent within five years of receipt by the parish council. The Borough Council therefore needs to be able to monitor which monies are spent and when. CIL was designed to be a transparent system and the reports also enable the public, developers and any other interested parties to see how much CIL is collected and how it is spent.
- 4.3 Parish council reports must be published on the parish council's website by the 31 December following the report year. I.e. those parish councils who received receipts in 2016/17, must publish their report on 2016/17 revenue by

December 2017. This means that parish councils who received funds in 2017/18 will only report on their receipts in December 2018 and are subsequently absent from this report.

- 4.4 Those parish councils that receive receipts in one year should continue to report their expenditure / retained amounts on an annual basis.
- 4.5 Whilst the reports should be available on the individual parish council websites, the CIL Officer endeavours to collate copies of the reports and publish them at www.westlancs.gov.uk/CIL alongside the Borough Council's own, annual CIL reporting.
- 4.6 The latest CIL Parish Council reports were received in December 2017, from Aughton, Burscough, Hesketh-with-Beaconsall, Hilldale, Up Holland and Wrightington who each received a neighbourhood portion in 2015/16 and/or 2016/17.
- 4.7 A total of £87,823.59 was received as the neighbourhood portion by Parish Councils in the financial years 2015/16 and 2016/17.

Table 2: Parish Council expenditure

| Received by Parish Council | Previous reporting year 2015/16 | Current reporting year 2016/17 | Total received 2015-2017 | Total spent | Available Balance Dec 2017 |
|----------------------------|---------------------------------|--------------------------------|--------------------------|-------------|----------------------------|
| Aughton | £2,771.91 | £4,584.82 | £7356.73 | £0 | £7,356.73 |
| Bickerstaffe | - | - | - | - | - |
| Burscough | £1,683.00 | £51,844.91 | £53,527.91 | £0 | £53,527.91 |
| Dalton | - | - | - | - | - |
| Downholland | - | - | - | - | - |
| Halsall | - | - | - | - | - |
| Hesketh-with-Beaconsall | £3,486.00 | £8,626.82 | £12,112.82 | £900 | £11,212.82 |
| Hilldale | - | £863.60 | £863.60 | £0 | £863.60 |
| Lathom | - | - | - | - | - |
| Newburgh | - | - | - | - | - |
| North Meols | - | - | - | - | - |
| Parbold | - | - | - | - | - |
| Rufford | - | - | - | - | - |
| Scarisbrick | - | - | - | - | - |
| Simonswood | - | - | - | - | - |
| Tarleton | - | - | - | - | - |
| Unparished – Ormskirk | - | - | - | - | - |
| Unparished – Skelmersdale | - | - | - | - | - |
| Up Holland | £6,426.00 | £5,074.50 | £11,500.50 | £0 | £11,500.50 |
| Wrightington | £2,462.03 | - | £2462.03 | £0 | £2,462.03 |
| Total | £16,828.94 | £70,994.65 | £87,823.59 | £900 | £86,923.59 |
| PC Report Due by | Dec 2016 | Dec 2017 | - | | |

- 4.8 Of the £87,823.59 received by Parish Councils, only £900 has been spent to date, with a further £12,076.42 allocated to identified projects:
- Hesketh-with-Becconsall Parish Council have allocated £3,486 (2015/16) to be spent on the Douglas Linear Park, of which £900 has been spent. £8,626.82 (2016/17) has been allocated to redevelopment of the community centre.
 - Hilldale Parish Council have allocated £863.60 to repairs at Grimshaw Green field.
- 4.9 Whilst the lack of expenditure may seem surprising given the available monies, some Parish Councils may be waiting for the CIL funding 'pot' to build up. Some developments may have their payment instalments split over a time period of up to 30 months, and Parish Councils may be holding back until further 'committed' sums are received and transferred to them so larger projects can be funded. Parish Councils may also wish to consider use of CIL alongside any available S106 funding.
- 4.10 The Council recommend that parish councils draw up a list of infrastructure projects, and their priority, in consultation with local communities. As and when CIL local funding becomes available, the most appropriate projects can then be implemented.
- 4.11 Parish councils can, should they wish to, allow the Council to retain their neighbourhood portion in order for it to be used towards strategic infrastructure that may be planned in their local area.

5.0 SUMMARY

- 5.1 To date, Parish Councils have received a combined total of £182,134.85 of CIL funding. Of that £87,823.59 required to be reported by December 2017, £900 has been spent with a further £12,076.42 allocated to identified projects. The majority of received monies remain available for allocation and use.

6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 6.1 Neighbourhood CIL funding should be used towards local infrastructure required to support new development in a local area. Parish Councils are therefore encouraged to spend the CIL funding on appropriate infrastructure projects. Where such projects are not delivered, there is a minor risk on the sustainability of local areas, which CIL monies are designed to help address.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 7.1 Parish Councils must spend neighbourhood CIL on appropriate infrastructure projects within five years of their receipt or the Council can request that these monies are returned to the Council. There is therefore a minor financial and resource implication, to parish councils, if the monies are not used correctly and it is the responsibility of the parish council to ensure they are spent correctly. In the event monies are returned, the Council would then spend the monies on appropriate infrastructure schemes.

8.0 RISK ASSESSMENT

- 8.1 This Article is for information only and makes no recommendations. It therefore does not require a formal risk assessment and no changes have been made to risk registers as a result of this article.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Article.

Equality Impact Assessment

The Article is for information only and does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

None.