

## **NOTE FOR PARISH AND TOWN COUNCILS ON RECEIVING AND USING CIL FUNDS**

### **Summary**

The District Council is required to pass a proportion of CIL receipts collected from developments in their areas directly to parish and town councils to be spent on infrastructure or anything else that is concerned with addressing the demands that development places on an area. Parish Councils receiving CIL monies must report on receipts and expenditure each year. In areas with a Neighbourhood Development Plan in place, the amount to be passed over is 25% with no cap.

### **Introduction**

CIL Regulations require charging authorities (North Dorset District Council) to pass to parish and town councils a proportion of CIL receipts from developments that take place in their areas. Currently, councils will be required to pass 15% of CIL receipts to relevant parish and town councils arising from developments in their areas. For areas with an adopted Neighbourhood Development Plan this increases to 25%.

The government has capped the payments to areas without a Neighbourhood Development Plan in place at £100 per council tax dwelling per year. Consequently, this means that a parish with 500 dwellings, say, cannot receive more than £50,000 of CIL receipts per year.

### **How the funds must be spent**

The CIL Regulations state that this proportion of funds must be used *'to support the development of the local 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.'*

This is a wider definition of the District Council's ability to use CIL funds (i.e., restricted to infrastructure to support the development of the area). These wider spending powers allow the local community to decide what they need to help mitigate the impacts of development. Should a parish or town council fail to spend CIL funds passed to it within 5 years of receipt, or applies the funds in a way which is not in accordance with the Regulations, then the District Council can serve a notice on that council requiring it to repay some or all of the funds passed. The District Council will be required to spend any recovered funds in that council's area.

### **Reporting**

To ensure transparency, parish councils must publish each year their total CIL receipts; total expenditure; a summary of what the CIL was spent on; and the total amount of receipts retained at the end of the reported year from that year and previous years. Reports can be combined with reports already produced by the parish or town council.