

## **Community Infrastructure Levy – Neighbourhood Funding.**

Bedford Borough Council has an approved Community Infrastructure Levy (CIL) Charging Schedule of rates which will be in force from 1<sup>st</sup> April 2014.

New residential and large retail developments granted planning permission after 1<sup>st</sup> April 2014 will be expected to pay the Levy in accordance with the rates in the adopted Charging Schedule and the council's instalment policy.

CIL is charged on the net additional floorspace created by the development of buildings. The purpose of the Levy is to help councils fund the infrastructure needed to support planned growth across the borough and it can be spent on the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of their areas.

But whilst the main purpose of CIL is to yield a contribution to general infrastructure needs in the borough to support growth, the regulations provide for a proportion of CIL receipts to be spent to address local priorities.

### **Parished areas**

In parished areas the funds will be directly passed to the parishes where development has taken place.

Under the government's CIL regulations the amount of the funds to be directed to address local priorities depends on whether or not there is a Neighbourhood Development Plan or Neighbourhood Development Order in place.

In areas where there is a Neighbourhood Development Plan in place prior to planning permission being granted or permission was granted by a Neighbourhood Development Order, the Council must pass 25% of Community Infrastructure Levy funds from developments within those areas to the relevant parish council.

Where there is no Neighbourhood Development Plan this amount is 15%, subject to a cap of £100 per household in the parish council area per year.

The neighbourhood funding received can be spent on supporting the development of the area by funding:

- (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or
- (b) anything else that is concerned with addressing the demands that development places on an area.

So the funding could be used for example to develop a neighbourhood plan, for affordable housing or improve local community facilities.

The supporting guidance makes it clear that parish councils are expected to work closely with the charging authority (the Borough Council) and other parish councils to agree infrastructure priorities for using the Levy. Also parish councils can, if they agree with the council's priorities, allow the Borough Council to retain their proportion in order to help deliver a project that benefits the parish council e.g. a school extension in the local area. The guidance says that Parish and Town Councils should consider publishing their priorities for spending the neighbourhood funding element, highlighting those that align with the

charging authority. Where a neighbourhood plan has been made, it should be used to identify these priorities.

Parish councils need to report on neighbourhood funding received and spent and publish this information on their website or on the borough council's website.

If a Parish, Town or Community Council does not spend its Levy share within five years of receipt, or does not spend it on initiatives that support the development of the area, the charging authority may require it to repay some or all of those funds to the charging authority.

### **Unparished areas**

Communities without a parish or town council will still benefit from the neighbourhood portion. In un-parished areas the borough council will retain the Levy receipts but should engage with the local communities at the neighbourhood level and agree with them how best to spend the neighbourhood funding. Consultation should be proportionate to the level of Levy receipts and the scale of the proposed development to which the neighbourhood funding relates.

Where the charging authority retains the neighbourhood funding, they can use those funds on the wider range of spending. In deciding what to spend the neighbourhood portion on, the charging authority and communities should consider such issues as the phasing of development, the costs of different projects (e.g. a new road, a new school), the prioritisation, delivery and phasing of projects, the amount of the Levy that is expected to be retained in this way and the importance of certain projects for delivering development that the area needs. Where a neighbourhood plan has been made, the charging authority and communities should consider how the neighbourhood portion can be used to deliver the infrastructure identified in the neighbourhood plan as required to address the demands of development. They should also have regard to the infrastructure needs of the wider area. More information on CIL is available at [www.bedford.gov.uk/CIL](http://www.bedford.gov.uk/CIL)

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