

To Hythe Town Council
Date 13 February 2020
Status **Non Exempt**
Responsible officer Responsible Financial Officer

Subject **UPDATE OF CIL MONIES REPORT F&GP/26/19**

SUMMARY: This report provides an update on the CIL monies due to Hythe Town Council and recommends the Committee review in accordance with good practice.

REASON FOR RECOMMENDATION:

The Committee is asked to agree the recommendations set out below because:-
a) The Council is committed to manage its financial affairs under the Financial Regulations Act.

RECOMMENDATIONS:

- 1. To receive and note the report F&GP/26/19**
- 2. To recommend to instruct the RFO to vire any CIL funds once received into an Allocated Reserve account until expenditure has been agreed through Council.**

INTRODUCTION

The information below has been provided to us by Folkestone and Hythe District Council;

One of the purposes of the Community Infrastructure Levy (otherwise known as CIL) is to incentivise communities to accept growth. The levy places a responsibility on the District Council to pass a 'meaningful proportion' of CIL receipts to Parish/Town Councils twice a year. Government Regulations enacted on 25th April 2013 require that the meaningful proportion should be 25% of CIL receipts where a Neighbourhood Plan is in place and 15% in other areas (capped at £100 per dwelling). The local meaningful proportion does not have to be spent purely on infrastructure but may be used to fund other measures as long as they address demand placed by development in the area. Where possible the Council and Town and Parish councils are encouraged to identify agreed priorities for infrastructure in order that both CIL and the 'local proportion' is focused on delivering these priorities. Based on the record of CIL payments received to date, Hythe Town Council is to be the subject of a payment amounting to £48,735.90 as a result of CIL receipts collected and held by the District Council.

The purpose behind the Community Infrastructure Levy (CIL)

CIL is not only designed to pay for infrastructure needed to support growth, it is also designed to incentivise communities to welcome and promote development within their areas.

Under the CIL Regulations, Regulation 59 require the Charging Authority (FHDC) to pass on a meaningful proportion of CIL to Town and Parish Councils in which the

development takes place. According to the CIL Regulations (as amended), for areas where there is no neighbourhood plan in place this sum will equate to some 15% of CIL receipts from development within their administrative area up to a maximum of £100 per Council tax dwelling per annum. This rises to 25% where a Neighbourhood Plan is in place.

The CIL Regulations state that a Town/Parish Council must use CIL receipts passed to it in accordance with Regulation 59A or 59B to support the development of the local council's area, or any part of that 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.

This gives Parish and Town Councils considerable freedom to spend their proportion of CIL on the things that address the impacts of development on their area.

The CIL Regulations 2010 (as amended) state that the Parish or Town Council must spend the CIL income they receive from FHDC 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

'Infrastructure' is a broadly defined in the Town and Country Planning Act 2008.

There are typically three broad categories of infrastructure:

- physical infrastructure - highways, transport links, cycleways, energy supply, water, flood alleviation, waste management
- social infrastructure - education, health, social care, emergency services, art and culture, sports halls, community halls
- green infrastructure - parks, woodlands, play areas, public open space

SUMMARY

While Town and Parish Councils are not required to spend their neighbourhood funds in accordance with District priorities, there are likely to be common infrastructure projects. It would be good practice to discuss the expenditure of CIL funds with the District Council because early discussions will ensure that projects are in line with the CIL Regulations and will also allow other funding sources to be explored and whether any CIL funding managed by the District Council can go towards the project.

RISK MANAGEMENT

A summary of the perceived risk follows;

Perceived Risk	Seriousness	Likelihood	Preventative Action
The Council does not reserve the CIL funds and spends it on other revenue items.	High	Low	The Council vire funds to an Allocated Reserve account.

CONTACT OFFICER

If you have any queries about this report please contact The Responsible Financial Officer of the Council

Tel: 01303 266152 or email RFO@hythe-tc.gov.uk prior to the meeting.