

NEWTON ABBOT TOWN COUNCIL



COMMUNITY INFRASTRUCTURE LEVY (CIL)

GROUPS POLICY

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Reviewed	
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COMMUNITY INFRASTRUCTURE LEVY – GROUPS POLICY

1. BACKGROUND

1.1 This document details the governance arrangements to be adopted at Newton Abbot Town Council for the allocation and spending of the Community Infrastructure Levy (CIL) in relation to community projects not promoted by the Town Council.

1.2 Community Infrastructure Levy (CIL) is the charge payable on new development to be used to provide infrastructure that supports the development of the area. Teignbridge District Council started charging the Levy in October 2014. The CIL charge is determined by location depending on development viability – largely driven by house prices and affordable housing targets. Charges are made per internal square metre of new floor area; once development commences the full amount of CIL becomes payable. Payments are phased over 24 months and are non-negotiable.

1.3 CIL payments are received by Teignbridge District Council who will then pay 15% of the CIL income to the local council (i.e. the town or parish council), unless a local council has an up to date adopted Neighbourhood Plan, such as Newton Abbot, then the local council shall receive 25% of CIL income within its area.

1.4 CIL is just one funding stream that can be used, in conjunction with others, to fund projects. Alongside CIL, S.106 obligations will still exist, but generally as one-off agreements to mitigate the impacts of larger developments and to secure on-site developer requirements, such as the provision of affordable housing.

1.5 The Town Council may determine how its CIL receipts are spent; however, any expenditure must meet the following criteria as set out by CIL regulations:

- 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.

1.6 Typically, there are **three** broad categories of infrastructure:

- Social infrastructure: e.g. art and culture, sports halls, education, health, social care, emergency services, community centres, village halls.
- Physical infrastructure: e.g. pavements, cycleways, flood defences, highways, transport links.
- Green infrastructure: e.g. play areas, public open space, woodlands.

Examples of infrastructure items which can be provided or maintained by town/parish councils:

Infrastructure Type	CIL Uses
Allotments	Provision of allotments
Burial Grounds; Cemeteries & Crematoria	Maintain monuments and memorials
Bins	Provision of litter bins
Bus Shelters	Provision of bus shelters
Clock	Provide public clock
Commons and Common	Enclosure, regulation and management and provision of common

Pastures	pasture
Conference Facilities	Provision of conference facilities
Community Centres	Provide and equip building for use of clubs (sport/social/educational); Acquire, provide and furnish community building
Crime Prevention	Spend money on crime prevention
Drainage	Deal with ponds and ditches
Highways	Repair and maintain public footpaths and bridleways Lighting for roads and public places Provide parking places for vehicles, bikes, and motorbikes Provide roadside seats and shelters Provide certain traffic signs and other notices Plant trees and maintain roadside verges Traffic calming – powers to contribute financially to such schemes
Open Space	Acquire and maintain land for open spaces
Public Buildings and Village Hall	Acquire and provide buildings for public meetings and assemblies
Public Toilets	Provide public toilets (does not include employee wages)
Recreation	Acquire land for recreation grounds; public walks; pleasure grounds, manage and control them. Provision of boating pools
War Memorials	Maintain, repair, protect and adopt war memorials

2. CIL SPENDING DECISION PROCESS

2.1 The Town Council should be able to demonstrate that it is using CIL arising from consultation with residents to develop projects for funding that contribute to the infrastructure priorities in the area. This has been carried out through the Community Plan Review 2022 and the Neighbourhood Development Plan 2016 (which will be reviewed following the adoption of the Teignbridge Local Plan Review 2023). The Council also receives feedback on priorities each year at the Annual Town Meeting.

2.2 The Town Council is required to spend its local CIL monies within five years of receipt. Where money is not used to support the development of the area within five years of receipt, or is used for other purposes, the CIL Regulations give the Local Authority the power to recover those funds. This is to ensure that money is spent effectively to the benefit of the local community.

2.3 The Town Council is required to produce a publicly available annual report on how much CIL money we have received and how much has been spent. This will include a list of all the projects funded through CIL and an itemised cost for each one.

2.4 Newton Abbot Town Council will welcome input from local groups/organisations for projects on which to spend CIL money. If the proposed projects are within the CIL regulations and are items on which the Town Council may lawfully spend, then where multiple requests are received a prioritisation process should be carried out and the criteria outlined in this policy will be used as a ranking mechanism. A prioritised 'CIL Project List' (see appendix A) will be maintained and will be referenced when CIL funding becomes available. Organisations proposing their own projects will be requested to put forward costed and deliverable projects with multiple quotes and supporting information, such as financial accounts belonging to the beneficiary.

2.5 An assessment of a project application(s) for CIL funding will be conducted by the Town Council's Finance & Audit Committee to resolve whether to make a recommendation, for the project to be included

on its future CIL Projects List and its level of priority in respect to other projects, to the Council. Following a final resolution of the Council the CIL Projects List will be updated and published online.

NB. Council meetings are open to the public; however, the Council may move into private session if commercial sensitivity is required in order to achieve best value for public money.

3. RANKING PROJECTS FOR CIL EXPENDITURE

3.1 The CIL Project List is expected to cover projects providing, but not be limited to, the following benefit categories:

- Promote opportunities for economic success of the area
- Leisure/Sport/Amenity
- Crime reduction/Public Safety
- Traffic/Road safety
- Community engagement & communication
- Public services/provision
- Heritage protection
- Environmental/Climate change
- Promote the general social, economic and environmental wellbeing of the area

3.2 In general, the Town Council will use the following **primary criteria** to rank CIL projects against each other:

- **Community Benefit** – how wide an impact will the project have for Newton Abbot and how many people might benefit
- **Costs and Funding** – The overall cost of the project and any future expenditure it may generate, such as ongoing maintenance. Projects part-funded by the benefitting organisation or from grant funding may increase the ranking as it means more projects can be sufficiently financed.*
- **Deliverability** – how practical is the project and are there likely to be barriers around the planning or legal aspects
- **Environmental Benefits** – does the project offer benefits to the environment of the town and show no negative impact

* The Council might wish to receive proof the organisation has at least attempted to raise funds from other sources to fund/part fund their project so that CIL funds are made available as widely as possible.

3.3 CIL Funding Priorities

In appraising applications, the council will prioritise projects which meet the criteria set out in this section.

3.3.1 Demonstrate value for money.

Examples of how to meet this priority:

- a) Using CIL funding to attract grant funding.
- b) Minimise the CIL requirement through use of own funds, third party funding and/or

community fundraising.

c) Utilise robust tendering processes to ensure contracted services are cost effective.

3.3.2 Mitigate detrimental effects of development.

Examples of how to meet this priority:

- a) Deliver infrastructure identified as being required in the community.
- b) Connect developments to town services and assets.
- c) Address issues generated by developments.

3.3.3 Deliver a long-term tangible benefit to the community.

Examples of how to meet this priority:

- a) Use CIL to safeguard and increase the viability of community assets for long term community use.
- b) Demonstrate the benefit will be sustained with revenue expenditure.
- c) Use CIL to reduce running costs or increase revenue generation.

3.3.4 Demonstrate Community Support

Examples of how to meet this priority:

- a) Deliver on aspirations identified in the Newton Abbot Community Plan and/or Neighbourhood Development Plan
- b) Undertake a community consultation on the proposed project.
- c) Produce evidence of a need for the project in the community

3.3.5 Following a funding decision

- The Council will look to secure long term community access for any projects delivered with CIL funding; this may be in the form of community use agreements or legal charges.
- The council may attach any conditions it considers in the interests of the wider Newton Abbot community.
- Funding will not be awarded on a 'first come first served' basis and the council shall be under no obligation to fund projects just because it has the funds available to do so.
- The council will contact organisations owning projects on the CIL Projects List annually to ensure that the project remains viable and desired. Organisations are expected to continually be looking for alternative funding to maximise investment within the community.
- The Finance & Audit Committee may remove a project from the list should there be a material change in the project or the town which, in its opinion, means it no longer meets the council's funding objectives.

3.4 Inclusion on the CIL Projects List, meeting some or all the criteria for CIL ranking, does not commit the Council to fund the project; all Council spending decisions are made by a majority Council vote.

3.5 The Finance & Audit Committee and Council will review the CIL Projects List following receipt of CIL funds (twice a year) and may resolve to award funding on the basis of current priorities

and available funds. The Council may ask for supporting information to be provided, such as group financial accounts, or multiple quotes for the work; this list is not exhaustive See Appendix B.

N.B. Further reading:

1. A Guide to the Community Infrastructure Levy (CIL) for Parish & Town Councils
[file \(nalc.gov.uk\)](http://nalc.gov.uk)
2. Section 216 of the Planning Act 2008
[Planning Act 2008 \(legislation.gov.uk\)](http://legislation.gov.uk)

Community Infrastructure Levy Explained (Appendix C)

Appendix A

Prioritised Project List at 21.12.22

Title	Proposed by	Total Budget	Other potential funds	From CIL
Bradley Barton Community Centre	Bradley Barton Community Association	£55,000 (to be reviewed)		

Appendix B - Newton Abbot Town Council - CIL Community Bid Form

Applicant Details:	
Project Details:	
Brief description of project:	
What area will be project cover?	
What communities will benefit from the allocation?	
Briefly describe how the scheme will support and benefit the development of your local area by funding either: 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:	
Please confirm which of the Council's priorities this project contributes to:	
<input type="checkbox"/> Improve the wellbeing of the people of Newton Abbot.	
<input type="checkbox"/> Manage the Council's assets and resources responsibly and transparently.	
<input type="checkbox"/> Manage the Council's services effectively to meet the needs of the communities we serve.	

- Work to become greener and cleaner in our activities as well as supporting our communities and partners to be as green as possible.
- Promote opportunities for economic success of the area.
- Strive for continuous improvement and service development.
- Work with partners to deliver our core values and strategy.

Community Support:

How do you know that the community want this? Please detail any consultation that has taken place or is needed.

Is this proposal supported by local Ward Councillors representing the area where the project will be located? If yes, please provide confirmation below:

In addition to any Ward Councillor support, please provide confirmation of other local community support for the project:

Project Cost (including VAT):

Total project cost	£
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What is the cost breakdown i.e. to show expected budget lines on any salaries (plus employer national insurance and pension contributions), overheads, marketing, building works, maintenance, equipment hire, feasibility etc.

Total external funding secured:	£
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Total CIL funds sought:	£
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Delivery Details:

Does this link to any existing Council projects? Y/N

If yes, please give the details:

Additional Information:

Please detail any additional information that you feel may be helpful to this application.

APPENDIX C

Community Infrastructure Levy Explained

The Town Council because it has a Neighbourhood Development Plan (NDP) attracts 25% of the CIL collected by Teignbridge District Council (TDC) as the Local Planning Authority (LPA). Since TDC adopted a CIL Policy, the Town Council has received a considerable amount of income which it has used to fund capital infrastructure projects such as the refurbishment of the former St Leonard's Church in Wolborough Street (Newton's Place); refurbishment of the War Memorial in Queen Street; the purchase of two areas of land adjacent to Newton's Place; and various items of equipment used to maintain the town's infrastructure. Details of all CIL income and expenditure is published on the LPA's website as required by the CIL Regulations (The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019).

Recently, the level of CIL receipts received by the Council has reduced arising from the Covid-19 Pandemic. However, as the country returns to some normality it is hoped this income stream will return to that estimated by TDC based on the number of houses completed and occupied in the parish of Newton Abbot.

For some time now there has been a little disquiet on behalf of some Members of the Council that its use of CIL funds has been somewhat ad hoc and unaccountable. On that basis the Council is requested to give consideration to whether it wishes to adopt a policy on its use of CIL receipts over and above the spending controls set out in the Council's Financial Regulations/Investment Policy.

CIL spending

How parish and town councils can spend CIL

What can CIL be spent on?

The CIL Regulations 2010 (as amended) state that the parish or town council must spend the CIL income they receive 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

For examples of infrastructure items which can be provided or maintained by parish councils, please see the Infrastructure Items Document (attached).

Providing CIL is spent in accordance with the above, CIL monies may be used to provide match funding with other income streams. CIL can be used collaboratively with community interest companies or other providers to make the most efficient use of funding to benefit the community.

The parish council (PC) should also work closely with their neighbouring councils, and the principal councils, to agree on infrastructure spending priorities. If a PC shares the principal councils' priorities, they may agree that we, the District Council, could retain the CIL to spend on specific infrastructure. It may be that this infrastructure (eg, a school) is not in the parish, town or PC's administrative area, but will support the development of the area.

Decisions on how the funds are spent are at the PC's discretion, provided that it's in accordance with the CIL regulations.

Additional information

If a PC has not applied the funds in accordance with the regulations, then the LPA can serve a notice on the PC requiring it to repay some or all of the receipts that had been transferred to them. The recovered funds would need to be spent in the PC's area.

If the PC do not spend their CIL within five years of receipt, LPA may send a repayment notice. Exceptions may be made if the PC can show that they've allocated their CIL income to a particular project for which they are accumulating funds before spending.

If the PC receives a repayment notice, they must respond as required, and send the mis/un-spent CIL back to the LPA as directed. In this instance the LPA will spend the returned CIL income on behalf of the PC.

If the PC is unable to repay the amount specified in the repayment notice, the LPA will recover the amount from future CIL income the PC are due to receive.

What does the Regulations say?

The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019

Spending the levy

What can the Community Infrastructure Levy be spent on?

The levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities (for further details, see [section 216\(2\) of the Planning Act 2008](#), and [regulation 59](#), as amended by the [2012](#) and [2013 Regulations](#)). This definition allows the levy to be used to fund a very broad range of facilities such as play areas, open spaces, parks and green spaces, cultural and sports facilities, healthcare facilities, academies and free schools, district heating schemes and police stations and other community safety facilities. This flexibility gives local areas the opportunity to choose what infrastructure they need to deliver their relevant plan (the Development Plan and the London Plan in London). Charging authorities may not use the levy to fund affordable housing.

Local authorities must spend the levy on infrastructure needed to support the development of their area, and they will decide what infrastructure is needed.

The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development.

In London, the regulations restrict spending by the Mayor to funding roads or other transport facilities, including Crossrail, to ensure a balance between the spending priorities of the London boroughs and the Mayor.

Paragraph: 144 Reference ID: 25-144-20190901

Revision date: 01 09 2019

Should charging authorities pass any of the CIL receipts it receives to parish councils?

Where all or part of a chargeable development is within the area of a parish council, the charging authority must pass a proportion of the CIL receipts from the development to the parish council as explained below (see also [regulation 59A](#)). The parish council must use the CIL receipts passed to it to support the development of the parish council's 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 the area.

Where this development is also within an area that has a neighbourhood development plan in place, or the development was granted planning permission by a neighbourhood development order (including a community right to build order), the charging authority must pass 25% of the relevant CIL receipts to the parish council for that area (see [regulation 59A\(3\)](#)). This amount will not be subject to an annual limit. For this to apply, the neighbourhood plan must have been made (see section 61E of the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38C of the Planning and Compulsory Purchase Act 2004) before a relevant planning permission first permits development (as defined by [regulation 8](#), as amended by the [2011 Regulations](#) and the [2014 Regulations](#)). Charging authorities can choose to pass on more than 25% of the levy, although the wider spending powers that apply to the neighbourhood funding element of the levy will not apply to any additional funds passed to the parish. These additional funds can only be spent on infrastructure, as defined in the Planning Act 2008 for the purposes of the levy.

Where all or part of a chargeable development is within the area of a parish council but there is neither a neighbourhood development plan nor a neighbourhood development order, up to 15% of the relevant receipts, capped according to the formula in [regulation 59A](#) (as amended by the [2019 Regulations](#)), must be passed to the parish councils in which the development took place. Areas could use some of the neighbourhood pot to develop a [neighbourhood plan](#) where it would support development by addressing the demands that development places on the area.

Figure: relationship between the levy and neighbourhood plans in England

Parish council	Neighbourhood plan	Levy
✓	✓	25% uncapped, paid to parish each year

Parish council	Neighbourhood plan	Levy
✓	✗	15% capped at *£100/dwelling (indexed for inflation), paid to parish each year <i>*Refer to Teignbridge District Councils CIL Policy for the current rate.</i>
✗	✓	25% uncapped, local authority consults with community about how funds can be used, including to support priorities set out in neighbourhood plans
✗	✗	15% capped at £100/dwelling (indexed for inflation), local authority consults with community to agree how best to spend the neighbourhood funding

Paragraph: 145 Reference ID: 25-145-20190901

Revision date: 01 09 2019

Where there is no parish or town council, who receives the neighbourhood portion?

Communities without a parish or town council can still benefit from the neighbourhood portion. If there is no parish or town council, the charging authority will retain the levy receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. Charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods using their regular communication tools for example, website, newsletters, etc. The use of neighbourhood funds should therefore match priorities expressed by local communities, including priorities set out formally in neighbourhood plans.

The law does not prescribe a specific process for agreeing how the neighbourhood portion should be spent. Charging authorities should use existing community consultation and engagement processes. This should include working with any designated neighbourhood forums preparing neighbourhood plans that exist in the area, theme specific neighbourhood groups, local businesses (particularly those working on business led neighbourhood plans) and using networks that ward councillors use. Crucially this consultation should be at the neighbourhood level. It 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 that are open to local councils (see [‘Can the levy be used to deliver Suitable Alternative Natural Greenspace?’](#), and [regulation 59C](#)). 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 (for example, 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.

The charging authority and communities may also wish to consider appropriate linkages to the growth plans for the area and how neighbourhood levy spending might support these objectives.

Paragraph: 146 Reference ID: 25-146-20190901

Revision date: 01 09 2019

When is the neighbourhood portion paid?

Charging authorities and parish or town councils are free to decide the timing of neighbourhood funding payments themselves. However, in the absence of such an agreement, [regulation 59D](#) specifies that the neighbourhood portion of levy receipts must be paid every 6 months, with the portion related to CIL received between 1 April and 30 September to be paid by 28 October and the portion for the other half of the financial year being paid by 28 April.

Paragraph: 147 Reference ID: 25-147-20190901

Revision date: 01 09 2019

Can the neighbourhood portion be paid ‘in kind’, as land or infrastructure, as well as cash?

Developers may pay the levy as land or infrastructure as well as by cash if the charging authority chooses to accept these alternatives. However, the relevant percentage of the cash value of levy receipts must be passed on to a parish or town council in cash (see [regulation 59B](#) inserted by the 2013 Regulations and amended by the [2014 Regulations](#)).

Paragraph: 148 Reference ID: 25-148-20190901

Revision date: 01 09 2019

What happens where development straddles a parish or town council administrative boundary?

Where development straddles the boundaries of parish or town councils’ administrative areas, each council receives a share of the levy which is proportionate to the gross internal area of the development within their administrative area. For example, if a development crosses 2 parish or town council administrative areas with 50% of the gross internal area created in one parish and 50% in the other, each council receives 50% of the neighbourhood portion, up to the level of the annual limit for their area. The total levy liability across the development is used to calculate the neighbourhood funding figure, to take account of sites with variable rates.

There may be occasions when development crosses more than one parish or town council administrative area and where one or more of those areas has a neighbourhood development plan in place (so receives

25%) and one or more of those areas does not. There may also be occasions where part of a development is granted planning permission by a neighbourhood development order, and part is not. In these cases, the parish or town council receives a proportionate amount of the levy payment based on how much of the gross internal area of the development is in an area for which there is a neighbourhood plan or was granted permission by a neighbourhood development order.

Paragraph: 149 Reference ID: 25-149-20190901

Revision date: 01 09 2019

Is the Mayor of London also required to pass a share to neighbourhoods?

The Mayor of London is not required to allocate any levy receipts to neighbourhoods ([regulation 59A\(2\)](#)). The Mayor must only spend the levy on strategic transport infrastructure.

Paragraph: 150 Reference ID: 25-150-20190901

Revision date: 01 09 2019

What can neighbourhood funding be spent on?

The neighbourhood portion of the levy can be spent on a wider range of things than the rest of the levy, provided that it meets the requirement to 'support the development of the area' (see [regulation 59C](#) inserted by the 2013 Regulations for details). The wider definition means that the neighbourhood portion can be spent on things other than infrastructure (as defined in the Community Infrastructure Levy regulations) provided it is concerned with addressing the demands that development places on the parish's area. For example, the pot could be used to fund affordable housing.

Parish or town councils should discuss their priorities with the charging authority during the process of setting the levy rate(s).

Once the levy is in place, parish or town councils should work closely with their neighbouring councils and the charging authority to agree on infrastructure spending priorities. If the parish or town council shares the priorities of the charging authority, they may agree that the charging authority should retain the neighbourhood funding to spend on that infrastructure. It may be that this infrastructure (for example, a school) is not in the parish or town council's administrative area but will support the development of the area.

If a parish or town council does not spend its levy share within 5 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 (see [regulation 59E](#) for details).

Paragraph: 151 Reference ID: 25-151-20190901

Revision date: 01 09 2019

How should parish and town councils spend neighbourhood funds?

While parish and town councils are not required to spend their neighbourhood funding in accordance with the charging authority's priorities, parish and town councils are advised to work closely with the charging authority to agree priorities for spending the neighbourhood funding element and for this to be reflected in the authority's infrastructure funding statement, where appropriate.

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

Paragraph: 152 Reference ID: 25-152-20190901

Revision date: 01 09 2019

How should the parish or town council report on its levy spending?

Parish and town councils must make arrangements for the proper administration of their financial affairs (see [section 151 of the Local Government Act 1972](#)). They must have systems in place to ensure effective financial control (see [Accounts and Audit \(England\) Regulations 2011](#)). These requirements also apply when dealing with neighbourhood funding payments under the levy.

For each year when they have received neighbourhood funds through the levy, parish and town councils must publish the information specified in [regulation 121B](#) (a re-enactment of regulation 62A inserted by the 2019 Regulations). They should publish this information on their website or on the charging authority's website. If they haven't received any money they do not have to publish a report, but may want to publish some information to this effect in the interests of transparency.

There is no prescribed format. Parish and town councils may choose to combine reporting on the levy with other reports they already produce. The levy neighbourhood funding income and spending will also be included in their overall published accounts, but they are not required to be identified separately in those accounts. Where a charging authority holds and spends the neighbourhood portion on behalf of the local community, it should ensure that it reports this as a separate item in its own accounts.

Paragraph: 153 Reference ID: 25-153-20190901

Revision date: 01 09 2019

Can the levy be used to deliver Suitable Alternative Natural Greenspace?

The [Conservation of Habitats and Species Regulations 2017](#), as amended, require local authorities to avoid or mitigate the impact of increased human activity on certain habitats and species in protected areas, namely [Special Areas of Conservation](#) and [Special Protection Areas](#).

Local authorities are responsible for securing adequate mitigation for protected site impacts. Such measures are taken into account via an appropriate assessment when considering impacts on the protected site(s). They may choose to use their levy income to provide new or improved areas of open space (such as Suitable Alternative Natural Greenspace (SANGS) or similar approaches) which provide recreation space to deflect visitors, as part of a suite of measures to reduce the impacts on protected sites arising from development. Suitable Alternative Natural Greenspace are open space and are within the levy definition of infrastructure.

If delivering Suitable Alternative Natural Greenspace, local authorities must put in place a system which ensures that mitigation is delivered at a time and place when it will be effective. To ensure compliance with the Conservation of Habitats and Species Regulations 2017, the local authority must be clear that it intends to prioritise the use of the levy to deliver Suitable Alternative Natural Greenspace and maintain its effectiveness in the long term. Where it is appropriate to do so, this should be set out in the relevant plan (the Development Plan and the London Plan in London) and could also be included in the infrastructure funding statement.

Paragraph: 154 Reference ID: 25-154-20190901

Revision date: 01 09 2019

Can the levy be spent outside a charging area?

Charging authorities may pass money to bodies outside their area to deliver infrastructure that will benefit the development of the area. For example, these bodies may include the Environment Agency for flood defence or, in 2-tier areas, the county council, for education infrastructure ([regulation 59\(4\)](#)).

If they wish, a number of charging authorities may pool funds from their respective levies to support the delivery of infrastructure that benefits the wider area, for example, a larger transport project where they are satisfied that this would also support the development of their own area. See '[Can groups of charging authorities pool a proportion of their Community Infrastructure Levies?](#)' This could include, for instance, funds to support the delivery of [Suitable Alternative Natural Greenspace](#). Authorities are strongly encouraged to consider growth planning priorities for their area at Local Enterprise Partnership or equivalent broad area level in determining levy spending priorities.

Paragraph: 155 Reference ID: 25-155-20190901

Revision date: 01 09 2019

What about administrative costs?

Where charging authorities collect the levy, they can use funds from the levy to recover the costs of administering the levy. [Regulation 61](#), as amended by the [2014 Regulations](#) allows them to spend up to 5% cent of their total levy receipts on administrative expenses. This is to ensure that the overwhelming majority of revenue from the levy is directed towards infrastructure provision.

The permitted percentage is a maximum allowance on administrative expenses.

Paragraph: 156 Reference ID: 25-156-20190901

Revision date: 01 09 2019

What can administrative expenses include?

Administrative expenses associated with the levy include the costs of the functions required to establish and run a levy charging scheme. These functions include levy set-up costs, such as consultation on the levy charging schedule, preparing evidence on viability or the costs of the levy examination. There are similar costs associated with amending a levy charging schedule. They also include ongoing functions like establishing and running billing and payment systems, enforcing the levy, the legal costs associated with payments in-kind and monitoring and reporting on levy activity.

To help charging authorities with initial set up costs, the regulations allow for a 'rolling cap' on administrative expenses (see [regulation 61](#), as amended by the [2014 Regulations](#)). This covers the period comprising the first part of the year that an authority sets a levy and the following 3 financial years taken as a whole. From year 4 onwards of an authority's levy operation, the restriction works as a fixed in-year cap, meaning that an authority may spend up to 5% of receipts received in-year by the end of that year on its administrative expenses.

Paragraph: 157 Reference ID: 25-157-20190901

Revision date: 01 09 2019

What about areas where the collecting authority and the charging authority are different?

In London, where London borough councils collect the levy on behalf of the Mayor, a borough may keep up to 4% of those receipts to fund its administrative costs. The Mayor can spend up to 5% of those receipts (minus the amount already spent by the collecting authority) on administrative expenses. This is to ensure that between the collecting authority and the charging authority no more than 5% in aggregate of CIL receipts are spent on administrative expenses.

Paragraph: 158 Reference ID: 25-158-20190901

Revision date: 01 09 2019

Can groups of charging authorities pool a proportion of their Community Infrastructure Levies?

Charging authorities can choose to pool a proportion of their Community Infrastructure Levy (CIL) receipts to fund infrastructure as [regulation 59](#) allows for out of area spending and passing receipts to other persons. Where local authorities are working jointly to prepare development plans for their areas, pooling of levy receipts may be a useful mechanism for funding strategic infrastructure projects that have cross-boundary benefits. Each of the charging authorities included in the pooling arrangements should be content that funding for infrastructure outside the authority's area will support development of its own area (see [regulation 59\(3\)](#) as amended by the [2012 Regulations](#)).

Charging authorities are encouraged to consider publishing a memorandum of understanding detailing the administration, principles, and governance that will be implemented for the pooled fund. The principles to be considered in a memorandum of understanding include, but are not limited to, the following:

- a proposed governance structure and decision-making process for agreeing how the pooled fund is implemented and spent;
- the proportion or amount of levy each charging authority will contribute;
- the procedure for collecting the pooled levy;
- the strategic infrastructure projects the pooled fund will be spent on;
- a system for returning pooled funds to an authority in the event that it is necessary to do so;
- a proposed review mechanism for the memorandum.

It is recommended that the memorandum of understanding is a publicly accessible document which clearly explains how the pooled levy will be administered and spent.

Paragraph: 159 Reference ID: 25-159-20190901

Revision date: 01 09 2019

Are charging authorities allowed to borrow against future levy income?

Charging authorities, with the exception of the Mayor of London (which has a special arrangement in relation to Crossrail), are not allowed to borrow against future levy income. However, the levy can be used to repay expenditure on infrastructure that has already been incurred (Regulation 60). Charging authorities may not use the levy to pay interest on money they raise through loans.

Paragraph: 160 Reference ID: 25-160-20190901

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