

CIL funding Neighbourhood Portion 15% capped or 25% uncapped

This note has been provided to give additional guidance to Parish and Town Councils (PTCs) on the matter of when and how the “Neighbourhood Portion” on any CIL contributions received by the District Council (the “local charging authority”) is distributed to them. PTCs are asked to note that the District Council does not have any discretion over how these regulations are applied.

The ‘duty for the charging authorities to pass CIL to local councils’ was introduced by the CIL (Amendment) Regulations 2013 Part 7: Application of CIL. Certain factors determine whether Parish and Town Councils (PTCs) receive 15% capped or 25% uncapped of CIL income received by the local charging authority, resulting from CIL liable development within their area.

The amount of the Neighbourhood Portion varies depending on whether there is a Neighbourhood Development Plan (NDP) in place that has been through a successful referendum and has been adopted as part of planning policy (also referred to as ‘made’ by the local authority). PTCs will receive 15% of any CIL raised from development within their area, capped at £100 per existing Council Tax paying dwelling if there is no NDP in place. Where there is an adopted NDP, the PTC will receive 25% (uncapped) of any CIL income received by the local charging authority.

The income is calculated over a 6-month period, and the calculations are undertaken by the District Council at the end of March and end of September each year. Any CIL contributions from developers received during that period must be passed on to the PTC at that time. In a case of a PTC which does not have a NDP in place, if the amount of CIL that could be passed to it exceeds the capped amount in any one financial year, regulations do not allow local charging authorities to pass on more than the capped amount. Any additional money cannot be held over to the following year and paid at that time.

Furthermore, the CIL regulations state that the amount to be received by the PTC is determined at the point at which **permission is first granted** for a development. This means either an outline or full planning permission. In the case of a PTC which has adopted a NDP, the CIL Regulations determine that the “first granted’ date must be after the NDP has been formally adopted (‘made’).

The date of determination of reserved matters applications has no bearing on the calculation if, for instance, a PTC’s NDP has been made during the intervening period between outline/full permission and approval of reserved matters.

Going forward any new applications submitted and permitted from the date a PTC have their Neighbourhood Plan ‘made’ would then be entitled to the full 25% and there would be no capped amount on payments.