

LOCAL COMMUNITY INFRASTRUCTURE LEVY (CIL) BRIEFING NOTE FOR NEIGHBOURHOOD PLANNING GROUPS, FEBRUARY 2021

CIL in Sheffield

Sheffield City Council began charging CIL on new planning permissions on July 15th 2015. CIL charges are set out as £ per square metre of new floorspace and vary by type and location of development, as they must be based on viability. As of the end of December 2020, the Council had collected a total of nearly £17m. of CIL.

CIL is mainly intended to fund large, city-wide infrastructure projects. So most of the money goes into a central pot and the City Council's Cabinet decides the priority projects that will receive this funding.

What is the Local CIL / Neighbourhood Portion?

However, 15% of all CIL collected is retained locally for local infrastructure needs. Where there are local councils (i.e. parish councils) the City Council must pass 15% of CIL collected to the parish in which the CIL is collected. This local CIL money is referred to as the 'neighbourhood portion' by the Government but can also be referred to as 'Local CIL'.

The Sheffield Approach – How is the Local CIL distributed?

Outside of parishes the Council is free to define the areas in which the local CIL will operate. Cabinet decided to pool the Local CIL into one pot, then allocate it to individual wards, based on their relative Indices of Multiple Deprivation (IMDs), whilst also allocating some of it to promoting and supporting the production of Neighbourhood Plans. It also determined that wards should be guaranteed a minimum amount of Local CIL based on the levels of CIL collected within that ward area.

How was this decision on allocating the Local CIL arrived at?

Members agreed that simply retaining CIL collected within each ward was not a fair way of distributing the Local CIL. This is because some wards have lower or zero CIL rates due to their relative lack of viability, so would receive little or no Local CIL, despite potentially receiving significant levels of new development. Cabinet agreed the alternative IMD distribution method in October 2018 and the Safer and Stronger Communities Scrutiny and Policy Development Committee approved Guidance on how to spend the Local CIL in December 2018.

What can the Local CIL be spent on?

National CIL Regulations state that the Local CIL can be spent on *“the provision, improvement, replacement, operation or maintenance of infrastructure or anything that is concerned with addressing the demands that development places on an area.”*

How are Decisions on Spending the Local CIL Made?

Decisions on spending the Local CIL are delegated to the Head of Libraries, Community Services & Learning & Skills in consultation with the Cabinet Member for Neighbourhoods and Community Safety. This authority should be exercised after engagement with communities and Ward Councillors has taken place, ensuring that monies are spent in accordance with agreed Ward Priorities. The process for this is as follows:

- A CIL proposal form is produced to gather ideas for ward CIL spend;
- any submissions need the agreement of ward councillors;
- these are then submitted to the Cabinet Member for Communities and the Director for Community Services to sign off as per the 2018 Cabinet Report.

How do Neighbourhood Plans affect the Local CIL Allocations and Spending?

The CIL Regulations require the 15% allocation to increase to 25% within any area with a Neighbourhood Plan or a Neighbourhood Development Order. In parish areas this additional Local CIL is paid over to the parishes in the same way as the 15%. In other areas, there is no specific mechanism in place to allocate the 25% in any way other than the method used to allocate the 15%. Consequently, until any further decision is taken, this 25% would currently be allocated in the same way as the 15%, so would also be distributed across all non-parished wards according to IMDs.

More Information

The Cabinet Report can be viewed here:

<http://democracy.sheffield.gov.uk/ieListDocuments.aspx?CId=123&MId=6988&Ver=4>

. The report sought approval for the process for allocating the “Neighbourhood Portion” within wards that are not within a Parish Council boundary.

The Scrutiny Committee Report can be viewed here:

<http://democracy.sheffield.gov.uk/ieListDocuments.aspx?CId=138&MId=7106&Ver=4>

. This Committee was asked to consider and provide comment on Councillor’s Guide on spending the Local CIL.

The Councillors’ Guide can be viewed here:

<http://democracy.sheffield.gov.uk/documents/s33404/Local%20CIL%20Guidance%20Report.pdf> .