

# CIL Income Report 2018 / 2019 Financial Year

## 1.0 Background.

- 1.1 The Community Infrastructure Levy (CIL) is a mechanism to allow local planning authorities to raise funds from new development, in the form of a levy, in order to contribute to the cost of infrastructure projects that are, or will be, needed to support new development across the Borough. For readers of this report who are not familiar with CIL, it is a planning charge introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. Prior to the introduction of CIL, the amount of money a developer contributed towards infrastructure could be negotiated; however CIL is a non-negotiable charge.
- 1.2 The Community Infrastructure Levy charges took effect from the 1 April 2014 here in Bedford Borough and the Council is both a Charging Authority and a Collecting Authority. On the 1<sup>st</sup> September 2019 the CIL Regulations were amended making alterations to the way income and expenditure will be reported in future years. Prior to 1<sup>st</sup> September 2019 Regulation 62 of the Community Infrastructure Levy Regulations 2010 (as amended) required CIL Charging Authorities to produce an annual report detailing, CIL income and expenditure, and make it available before the 31 December each year. This is Bedford Borough Council's annual report for the year 1 April 2018 to 31 March 2019. The CIL Regulations now require CIL receiving authorities to produce an Annual Infrastructure Funding Statement, the first of which must be published by 31<sup>st</sup> December 2020.
- 1.3 Bedford Borough Council's CIL Charging Schedule sets out the charge per square metre that will apply to each category of development that is liable. The CIL is intended to be used to help provide infrastructure to support the development of an area rather than making an individual planning application acceptable in planning terms (which is the purpose of Section 106 Agreements). However, CIL does not fully replace Section 106 Agreements and applicants can still be required to contribute to site specific infrastructure requirements through Section 106 Agreements for items that would not be funded through CIL. The provision of affordable housing lies outside of the remit of CIL and continues to be secured through Section 106 Agreements. Following changes in the CIL Regulations, specifically the amendments made on 1<sup>st</sup> September 2019, the previous restrictions on pooling s106 contributions have been lifted. Pooling restrictions meant that CIL charging authorities could not use s106 funding on projects identified on a Regulation 123 List and could not use more than five s106 contributions towards the same project. These restrictions no longer apply. Nevertheless, this report concentrates on CIL funds rather than S106 income and expenditure which is reported on separately. Further information on S106 can be found using the following link <https://www.bedford.gov.uk/planning-and-building/contact-planning/planning-obligations/>

## **2.0 Allocation of CIL**

### **2.1 CIL income is required to be allocated as follows:**

- Up to 5% of annual CIL income can be applied towards its implementation and ongoing administration;
- 15% of CIL is passed to the Parish Council in whose boundary the development that paid the CIL is located (25% in areas that have an adopted Neighbourhood Development Plan in place before planning permission is granted), for the provision of local infrastructure improvements or other measures to support the development of the area or in unparished areas is held to be used by the Council for the same purpose (referred to as funding for Local Priorities);
- 80% of CIL is to be applied to infrastructure to support the growth of the CIL Charging Authority's area, referred to as the Borough's Infrastructure Fund (70% in areas that have an adopted Neighbourhood Development Plan in place).

### **2.2 During the 2018 / 2019 reported year, the Council was required to publish a Regulation 123 list, which set out the types of infrastructure and projects which could have been funded wholly or partly through the Borough Infrastructure element of the Levy. However, changes to the CIL Regulations effective from 1<sup>st</sup> September 2019 meant that the Regulation 123 list is no longer enforceable although it is still available to view on the Borough's website for information purposes on how infrastructure may be delivered and funded in Bedford Borough through CIL income and s106 obligations. In due course the Council's Regulation 123 list will be replaced by the Council's new Infrastructure Funding Statement by 31<sup>st</sup> December 2020. A link to the old Regulation 123 list follows:**

<http://edrms.bedford.gov.uk/OpenDocument.aspx?id=ngMfBDbl8qiR%2fgL5LKbnYg%3d%3d&name=Regulation123%20list.pdf>

## **3.0 CIL Income**

### **3.1 Total CIL Income in 2018 / 2019 was £7,568,264.73**

## **4.0 CIL Expenditure**

### **4.1 The expenditure from the Borough's Infrastructure Fund in 2018 / 2019 was £3,879,469.31**

### **4.2 Under Regulation 59D where funding is to be passed onto parish councils, the charging authority must make payment in respect of the CIL it receives from 1 April to 30 September in any financial year, to the parish council by 28 October of that financial year; and in respect of the CIL it receives from 1 October to 31 March in any financial year, to the parish council by 28 April of**

the following financial year. Funding passed to Parish Councils in 2018 / 2019 amounted to £519,900.48

4.3 Under Regulation 59E and 59F, in unparished areas, which in the Borough comprises parts of the urban area, the neighbourhood funding for local priorities is to be held by the Council who will engage with communities where development has taken place to decide how best to apply the funding. Engagement is to be proportionate to the level of levy receipts and the scale of the proposed development to which the Neighbourhood funding relates. £319,475.39 was held at the end of the 2018 / 2019 financial year for this purpose.

4.4 Appendix 1 sets out the details of the Report for 2018 / 2019 under Regulation 62.

## 5.0 CIL carried forward to 2018 / 2019

In summary:-

Borough Infrastructure Fund - £5,126,633.97

Funding for Local Priorities (parish) –£106,884.45

Funding for Local Priorities (unparished areas) - £319,475.39

Administration expenses - £497,357.17

	<b>Appendix 1</b>	
	<b>Reporting Criteria</b>	<b>Value</b>
Reg. 62 (4) (a)	<b>Total CIL receipts for the reported year.</b>	<b>£7,568,264.73</b>
Reg. 62 (4) (b)	<b>Total CIL expenditure for the reported year.</b>	<b>£3,879,469.31</b>
Reg. 62 (4) (c)	<b>Summary details of CIL expenditure during the reported year other than in relation to CIL to which regulation 59E or 59F applied ( i.e. excludes funding for local priorities passed to local councils or in unparished areas :</b>	
Reg. 62 (4) (c) (i)	The items of infrastructure to which CIL (including land payments) has been applied.	<ul style="list-style-type: none"> <li>Two Tier School Project</li> <li>School Road Works</li> </ul>
Reg. 62 (4) (c)(ii)	The amount of CIL expenditure on each item.	<ul style="list-style-type: none"> <li>Two Tier School Project <b>£500,000.00</b></li> <li>School Road Works <b>£3,379,469.31</b></li> </ul>
Reg. 62 (4) (c)(iii)	The amount of CIL applied to repay money borrowed, including any interest, with details of the infrastructure items which that money was used to provide including any interest, with details of the infrastructure items which that money was used to provide (wholly or in part)	<b>£0</b>
Reg. 62 (4) (c) (iv)	The amount of CIL applied to administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation.	<b>£50,750.00</b> <b>0.67% of the total CIL collected in the reported year</b>

Reg. 62 (4) (ca)	<b>The amount of CIL passed to:</b>	
Reg. 62 (4)(ca)(i)	Any local council under regulation 59A or 59B	<b>£519,900.48</b>
Reg. 62 (4)(ca)(ii)	Any person under regulation 59(4)	<b>£0</b>
Reg. 62 (4)(cb)	<b>Summary details of the receipt and expenditure of CIL to which regulation 59E or 59F applied during the reported year (i.e. funding for local priorities passed to local councils and recovered or funding for unparished areas) including:</b>	
Reg. 62 (4) (cb) (i)	The total CIL receipts that regulations 59E and 59F applied to.	<b>£140,168.35</b>
Reg. 62 (4) (cb) (ii)	The items to which the CIL receipts to which regulations 59E and 59F applied have been applied including the amount of expenditure on each item ( (cb) (iii) ).	<b>£0</b>
Reg. 62 (4) (cc)	<b>Summary details of any notices served in accordance with regulation 59E (recovery of funding passed to parishes) , including:</b>	
Reg. 62 (4) (cc) (i)	The total value of CIL receipts requested from each local council	<b>£0</b>
Reg. 62 (4) (cc) (ii)	Any funds not yet recovered from each local council at the end of the reported year.	<b>£0</b>
Reg. 62 (4) (d)	<b>The total amount of:</b>	
Reg. 62 (4) (d) (i)	CIL receipts for the reported year retained at the end of the reported year other than those to which regulation 59E or 59F applied.	<b>£6,521,104.13</b>
Reg. 62 (4) (d) (ii)	CIL receipts from previous years retained at the end of the reported year other than those to which regulation 59E or 59F applied.	<b>£3,452,136.57</b>
Reg. 62 (4) (d) (iii)	CIL receipts for the reported year to which regulation 59E or 59F applied retained at the end of the reported year.	<b>£140,168.35</b>
Reg. 62 (4) (d) (iv)	CIL receipts for previous years to which regulation 59E or 59F applied retained at the end of the reported year.	<b>£182,008.61</b>
Reg. 62 (4) (e)	<b>In relation to any infrastructure payments accepted by the charging authority:</b>	
Reg. 62 (4) (e) (i)	The items of infrastructure to which the infrastructure payments relate	<b>£0</b>
Reg. 62 (4) e (ii)	The amount of CIL to which each item of infrastructure relates	<b>£0</b>