



APPENDIX 3B: Community Infrastructure Levy (CIL) – DRAFT Guidance Note for Ward Councillors

The following guidance note has been prepared to assist ward councillors for Hemel Hempstead over the use and administration of CIL. A separate note is available for Town and Parish Councils.

What is CIL?

CIL is a new way of collecting contributions from developments towards the provision of infrastructure required to support growth within the Borough. It is a tariff that will be applied per square metre of new development and varies by scale, use and geography. Different CIL charges for settlements and zones within the Borough have been established on the basis of scheme viability.

The Borough Council is the Charging Authority for CIL and has set the following charges in Hemel Hempstead¹

Residential - £100 per square metre

Large Supermarkets, Superstores and Retail Warehousing - £150 per square metre

Affordable housing, self-build housing, residential annexes and residential extensions are exempt from payment of CIL, but may need to claim an exemption.

The CIL Regulations (Regulation 59) require the Charging Authority (Dacorum Borough Council) to pass on a meaningful proportion (15%²) of CIL to town, parish and neighbourhood areas. The Borough Council is required to retain levy receipts and engage with communities over the use of the meaningful proportion where no Parish, Town or Community Council is in place. The Borough Council has concluded that local ward councillors should, in these situations, engage with local communities directly and agree how best to spend the neighbourhood funds.

CIL Collection

The Borough Council will undertake the collection of CIL and a meaningful proportion of each CIL receipt will be set aside within individual Town, Parish and Neighbourhood (Ward) accounts in accordance with the CIL Regulations (as amended). It should be noted that the payment of CIL receipts may be subject to Instalments. Officers will advise ward councillors of the funds available under the “meaningful proportion” on an annual basis.

Spending CIL Receipts

¹ Excludes land at West Hemel Hempstead and Spencer’s Park which are zero rated.

² This fund may rise to 25% where a Neighbourhood Plan is adopted.

The neighbourhood proportion of the CIL can be spent on a wide range of items required to support the development of an area. This gives ward councillor's considerable freedom to spend their allocated proportion of CIL on the items which address the impacts of development upon their constituents. Notwithstanding this freedom the use of neighbourhood funds must match the priorities expressed by local communities. There are a number of factors that should be considered when developing a CIL spending plan.

- *What are the Infrastructure Needs?*

Ward Councillors should carefully consider whether the expenditure addresses the demand on infrastructure and services that are caused by development within their area and be clear on the links between infrastructure and growth.

Active community groups, including Neighbourhood Action Groups, should consider producing a statement identifying community infrastructure projects to act as a useful starting point for the distribution of neighbourhood funds by their ward councillor. Individual ward councillors would be encouraged to lead the production of such plans.

- *What are our responsibilities?*

Neighbourhood expenditure should be agreed in the full knowledge of both the needs of a local area and, in so far as it is possible, an understanding of where other strategic investment will be made in the area by the Council and its partners. Ward councillors should be clear that there may be on going operational and maintenance costs associated with the provision of new infrastructure and will need to be clear how any costs will be met for the life of the infrastructure. Maintenance costs are unlikely to be borne by the Borough Council, although they are a legitimate use of CIL funding.

- *How can we engage with the local community to determine their infrastructure needs?*

The Council is expected to allocate neighbourhood funding to infrastructure projects in consultation with the local community.

Ward Councillors will need to consider the capacity of existing groups and local residents to engage in the CIL process and to ensure that such processes are inclusive and that all members of the community contribute to determining how local CIL may be spent, including those who are least vocal and most vulnerable. Ward Councillors should build on relationships and networks with existing community groups and would be encouraged to utilise Neighbourhood Action Groups as a forum for discussing the use of the "meaningful proportion" of CIL funds. This process will be supported by the Borough Councils Neighbourhood Action team who may also help to identify infrastructure projects based upon their experiences and interactions with the local community. There may be clear links between CIL projects and those requirements identified in Neighbourhood Plans.

Any public consultation on the use of CIL funds should be proportionate to the scale of funds identified to be spent, such consultation could range from discussions with neighbouring parties to a particular application site through to a formal vote for a preferred project within a local community building or at a public meeting. Ward councillors may be aware of projects which may benefit from funding through the daily interaction with members of the community and would be encouraged to assist in the delivery of these projects where appropriate. Ward Councillors should clearly identify the extent of consultation and mechanisms employed for consulting with the local community and document this process when requesting the releasing of CIL funds. Such applications should be made on the appended form.

- *How can CIL funds be maximised?*

Although ward councillors will not be required to spend their neighbourhood funds in accordance with the Charging Authorities priorities, it would be good practice for ward councillors to work closely with the CIL Officer to agree priorities for spending the neighbourhood funding element as these may be common to both parties. This will also allow other funding sources to be explored which could contribute to the delivery of the infrastructure project or be used as an alternative to CIL.

The Borough Council is committed to advising ward councillors of the CIL sums secured within a financial year at regular intervals and would encourage them to prepare or match CIL bids for core CIL funding where appropriate large scale infrastructure projects are identified within their wards. These bids will be prepared and considered in accordance with the Council's governance arrangements and should be received by the CIL Officer by 1st May each year.

Reporting CIL Expenditure

The Borough Council are required to report on all CIL expenditure by them, including the neighbourhood funding held and spent by them on behalf of the local community. As such there will be an obligation on ward councillors to assist the Councils finance section record claims for their meaningful proportion of CIL and properly account for expenditure. Such matters will be reported annually on the Council website before the 31st December following the reporting year (1st April to 31st March) CIL funds should be recorded on the CIL Fund release form in Appendix A and copies should be sent to both the CIL/Infrastructure Officer and the Finance sections of the Council.

