

Welwyn Hatfield Borough Council Community Infrastructure Levy (CIL)

Guidance Note for Town & Parish Councils

Overview

This guide is intended to assist parish and town councils in the borough, and to provide an insight into the implementation of the Community Infrastructure Levy. This guide does not cover the arrangements for non-parished parts of the borough for which separate procedures apply. In these cases, the equivalent sum of money will be held by Welwyn Hatfield Borough Council, who will consult with the community on how to use this money.

Introduction

This guide for parish and town councils introduces the Community Infrastructure Levy (CIL) as implemented by the borough council.

Government regulations require the charging authority to pass a proportion of its CIL receipts, known as the neighbourhood proportion, on to local town and parish councils in whose area the chargeable development takes place. This guidance note provides information about how the neighbourhood proportion should be used and how it should be reported.

Community Infrastructure Levy (CIL)

The Community Infrastructure Levy (CIL) is the way in which the Council collects financial contributions from developers to help pay for new and improved infrastructure.

The levy applies to all residential development that creates one or more dwellings or annexes, as well as retail development over 100 sqm.

Affordable housing (i.e. social rented, affordable rented and intermediate housing) and self-build housing qualify for 100% relief from CIL. This means a developer will not pay CIL on affordable housing or a self-build house, provided they claim the relief.

What are the CIL rates in Welwyn Hatfield?

The CIL rates are set out in the adopted Charging Schedule, which can be found on the Council's website. A summary of the rates (£ per sqm) can be found in the table below. Please note that the CIL rates will be index linked from the base year to the date when permission is granted using the 'CIL Index' published by the Building Cost Information Service of the Royal Institute of Chartered Surveyors.

The current rates can be found on the Council's website: www.welhat.gov.uk/CIL

When is CIL payable

CIL is only required to be paid by developers if development commences on site. The CIL Demand Notice is issued on commencement of development. Development is taken to have commenced on the earliest date a “material operation” is carried out. A material operation is defined in the Regulations and can include any works of construction, demolition, digging foundations, laying out or constructing a road and a material change in the use of the land.

Welwyn Hatfield has an instalment policy, this is available on the Council’s website: www.welhat.gov.uk/CIL

Neighbourhood proportion

CIL is not only designed to pay for infrastructure needed to support growth, it is also designed to incentivise communities to welcome and promote new development in their area. As such, the regulations require Welwyn Hatfield Borough Council to pass a proportion of CIL funds raised in a particular area to the relevant Town/ Parish Council.

Under the Regulation 59 of the CIL (Amendment) Regulations 2013, for those Parish Councils without a Neighbourhood Plan 15% of the total CIL collected as a result of development in a given parish area must be passed to the relevant Town/Parish Council. This proportion rises to 25% without a cap where a neighbourhood plan is made and in place.

In relation to those Parishes without a Neighbourhood Plan, the CIL Regulations Reg 59A(7) states:

“The total amount of CIL receipts passed to a local council in accordance with paragraph (5) .. [ie the 15%] shall not exceed an amount equal to £100 per dwelling in the area of the local council multiplied by IA [the CIL index] in each financial year.”

Under the CIL Regulations, the Borough Council must make payments in respect of CIL it receives from 1 April to 30 September to the Town/Parish Council by 28 October of that financial year, and pay the CIL received from 1 October to 31 March by 28 April of the following financial year.

In areas with an adopted Neighbourhood Development Plan the amount to be passed to the Parish/Town Council will be 25% with no cap.

“In England, where all or part of a chargeable development is within an area that has a neighbourhood development plan in place the charging authority must pass 25 per cent of the relevant CIL receipts to the parish council for that area.”

It states the charging authority must pass the 25% of the receipts to the parish council for that area. It is for the Parish Council to administer the NCIL spending and reporting.

Welwyn Hatfield Borough Council has resolved (12 March 2025) that the neighbourhood proportion of CIL passed to Town/Parish Councils be set at 25% (uncapped) for all Parish and Town Councils regardless of whether a Neighbourhood Plan is in place. For those areas without a Parish or Town Council, Welwyn Hatfield Borough Council will hold this 25% and consult with the community on how best to use the money.

When will the Town/Parish Council receive the Neighbourhood Portion?

Under the CIL Regulations, the Borough Council must make payments in respect of CIL it receives from 1 April to 30 September to the Town/Parish Council by 28 October of that financial year, and pay the CIL received from 1 October to 31 March by 28 April of the following financial year.

If a Town or Parish Council does not wish to receive some or all of its CIL funding it must inform Welwyn Hatfield Borough Council by writing of its position. At any time a Town or Parish Council can resume their right to receive funding by giving notice to Welwyn Hatfield Borough Council.

What can Town/Parish Councils spend their portion of CIL on?

The proportion of CIL that a Town/Parish Council receives must be used to support the development of the area. Funds can be spent 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.

This provides Town/Parish Councils with a more flexible approach for spending their NCIL receipts in comparison to the powers of Borough Council. Such wider spending powers for the Town/Parish Council allow the local community to decide what they need in order to help mitigate the impacts of development in their area.

Money raised can be spent on anything that deals with the demands that development places on the area, such as open space, school places, cycle/pedestrian routes, transport infrastructure and community facilities. Section 106 Agreements will continue to be used for site-specific infrastructure. Find out more in this guidance and by visiting www.welhat.gov.uk/CIL

Notwithstanding this freedom there are a number of factors that should be considered when developing a NCIL spending plan.

- CIL cannot be used as a replacement for everyday Town or Parish Council expenditure and misspent NCIL can be claimed back by Welwyn Hatfield Borough Council.

- Recognise the value of the wider 'strategic' infrastructure, there might be a benefit of combining Welwyn Hatfield Borough Council Strategic Funds and Local Funds for timely delivery.
- Town and Parish Councils will need to consider the capacity of existing groups and local residents to engage in the NCIL process and to ensure that such processes are inclusive, and that all members of the community contribute to determining how NCIL may be spent, including those who are least vocal and most vulnerable.
- When developing plans for spending of NCIL consideration should be given to medium/long term infrastructure rather than quickly short term infrastructure projects.

Decisions on the expenditure of the 'neighbourhood portion' funds are at the Parish Council's discretion, provided that it is in accordance with the CIL Regulations. Approval for spending of NCIL is not required from Welwyn Hatfield Borough Council, however Parish/Town councils are accountable for spending their NCIL money. An annual report must be published setting out a statement of receipts and expenditure and summarising the projects which utilised NCIL funds. (See below for reporting requirements)

Is there a time limit for Parish Councils to spend their CIL monies?

Under the CIL Regulations, Welwyn Hatfield Borough Council has powers to recover NCIL amount if the NCIL is not spent within 5 years, unless the Town or Parish Council has notified Welwyn Hatfield Borough Council in advance, for example because of an infrastructure project in the pipeline, and agreement has been granted.

What are the reporting requirements for the Town/Parish Council?

Town and Parish Councils must make proper arrangements for the proper administration of their financial affairs as set out in Section 151 of the Local Government Act 1972.

They must have systems in place to ensure effective financial control in accordance with the Accounts and Audit (England) Regulations 2011. These requirements also apply when dealing with the neighbourhood proportion payments passed to Town and Parish Councils under the CIL Regulations.

Town and Parish Councils are required under Regulation 62A of the CIL Regulations to publish via their website (or Welwyn Hatfield's website) the amount of CIL received and spent within their area, a summary of the projects on which CIL was spent, details of any CIL returned to Welwyn Hatfield Borough Council and any balances brought forward from previous years. This should occur no later than the 31st December following the reporting year (1st April to 31st March).

A copy of this report should be sent to the Welwyn Hatfield CIL Monitoring Officer. It would be good practice to also publish a copy of the report in any Town/Parish newsletter or on local noticeboards.

If Parish /Town Councils haven't received any CIL money (in any year) 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. However, it is advised that this includes:

- The total amount of CIL received for the financial year
- The total amount of CIL spent in the financial year
- A summary of expenditure including details of what items CIL was spent on and the amount of CIL expenditure on each item.
- Any CIL that has been handed back to the Borough Council due to failure to spend or applying CIL funds to inappropriate items.
- The total amount of CIL from the financial year unspent and the total amount of CIL from previous years unspent.

How will the Strategic (Borough wide) CIL spend be decided?

The decision on the items on which the strategic CIL portion of CIL are spent lies with Welwyn Hatfield Borough Council Cabinet and will be published in due course.

Further Information and Questions

For further guidance on CIL please see the Council's web page www.welhat.gov.uk/cil and the Government's Planning Practice Guidance: <https://www.gov.uk/government/collections/planning-practice-guidance>

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