

## **APPENDIX A – COMMUNITY INFRASTRUCTURE LEVY (CIL) AND ITS USES**

The Community Infrastructure Levy (CIL) is a planning charge established through the Planning Act 2008 that Local Authorities and the Mayor of London can set on new development to help pay for community infrastructure. The Community Infrastructure Levy Regulations came into effect on 6 April 2010.

At Full Council on 16th April 2013, Barnet adopted a Charging Schedule for the Borough, levying a rate of £135 per square metre on new residential or retail floor space granted planning consent on or after 1st May 2013 (the effective date).

CIL is intended to offer transparency, consistency and fairness for all developers and local authorities, to enable an appropriate balance to be struck between the costs to the public purse of funding infrastructure required to support growth, with the viability of development in general within an area.

The latest amendments to CIL regulations were brought into effect on 28 February 2014, amending Regulation 59 of the CIL Regulations to clarify that CIL must be applied towards the funding of infrastructure. CIL income can only be applied towards “the provision, improvement, replacement, operation or maintenance of infrastructure”.

The definition of “infrastructure” is set out in the Planning Act 2008, including reference to:

- roads and other transport facilities,
- flood defences,
- schools and other educational facilities,
- medical facilities,
- sporting and recreational facilities,
- open spaces

The inclusion of medical facilities, sporting and recreational facilities, and open spaces within the definition of infrastructure means that if such facilities were deemed priorities of an Area Committee then they could provide funds that would also support local delivery of, for example, the Council’s health and wellbeing priorities.

In adopting CIL, Cabinet set out guidelines for how it could be applied through a ‘Regulation 123 list’ adopted on 1<sup>st</sup> May 2013. The ‘Regulation 123’ list sets out a number of projects to which the CIL income could be applied and for which Planning Obligations may not be set. This list is intended to be updated as other projects are specifically identified to be funded by CIL income and where a planning obligation would be inappropriate.

In general, the Council has approved the allocation of all CIL income receipts towards the ‘Capital Reserve’, which has then been used to help enable the delivery of infrastructure priorities (as identified on the Regulation 123 List). To date these

two decisions have informed the allocation of all CIL income subject to the 2014 revised requirements of the CIL Regulations.

The Localism Act introduced requirements that a ‘meaningful proportion’ of CIL income is allocated to parish councils to support their neighbourhood infrastructure requirements. Under Regulation 59A (5) of the Community Infrastructure Levy Regulations 2010 (as amended) a charging authority must pass 15 per cent of the relevant CIL receipts to the parish council for that area; this is limited by Regulation 59A (7) to a cap of £100 per dwelling in the area of the Local Council.

Regulation 59F enables a similar application of CIL receipts in cases where, as in Barnet, a charging authority does not have a local council structure.

In Barnet, the creation of Area Committees provides a form of ‘Local Council’ structure with similar decision-making functions to a parish council – hence the proposal to delegate a portion of CIL to these committees as the most appropriate governance structure through which to discharge the spirit of the CIL regulations.

The first year of Barnet CIL following adoption of the charging schedule (2013-14) saw CIL receipts totalling £901,619.77 collected for the Council from developments approved and commenced during this period. Over half of this total sum related to the Dollis Valley Regeneration Scheme in Chipping Barnet. The projected CIL income for 2014/15 is estimated at approximately £4.3m.

It is proposed that in 2015/16 CIL allocations are amalgamated across 2013/14 and 2014/15 to support a more even distribution across Committees. The proposed allocations are set out in the table below:

*CIL allocations by Area Committee*

	<i>15% of 2013/14 Income (actual)</i>	<i>15% 2014/15 Income (projected)</i>	<i>15% net total (actual and projected income)</i>	<i>Estimated 2015/16 allocation</i>
<i>Chipping Barnet</i>	£97,353	£159,512	£256,865	£150,000 (capped)
<i>Finchley &amp; Golders Green</i>	£31,905	£109,833	£141,738	£141,738
<i>Hendon</i>	£2,878	£375,827	£378,705	£150,000 (capped)
<i>Total:</i>	£132,136	£645,172	£777,308	£441,738