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Paper submitted by: Clerk to the Council – 03.06.20

CIL SPENDING REVIEW – JUNE 2020

Introduction

Thurston Parish Council receives a sum of money from the Community Infrastructure Levy (CIL) funding from developments within the Parish. 15% or 25% (if the application is approved after 24th October 2020 as this is when the Thurston Neighbourhood Plan was made) of the total CIL collected by Mid Suffolk for each commenced development in Thurston is passed to the parish council where the development is located, once the monies have been collected by Mid Suffolk District Council. Monies are paid twice a year – April and October.

The Parish Infrastructure and Investment Steering Group was set-up by the Parish Council to identify projects for funding. This group was made up of Parish Councillors and members of the Thurston Neighbourhood Plan Sub-Committee. This report is provided to the Parish Council to understand this additional funding stream and how it may be used to fund the infrastructure needed from further development within the parish.

Currently there are a number of vacancies on this group with membership now consisting of 3 Parish Councillors and 1 Member of the Neighbourhood Plan Sub-Committee. At the meeting of 5th February 2020, the Parish Council agreed to disband this group until the Council was at full complement and that all reporting to / decision making would be by full Council.

1. CIL - Spending the Levy

What can the Community Infrastructure Levy be spent on (and by whom)?

The levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities (for further details, see section 216(2) of the Planning Act 2008, and regulation 59, as amended by the 2012 and 2013 Regulations).

This definition allows the levy to be used to fund a very broad range of facilities such as play areas, parks and green spaces, cultural and sports facilities, academies and free schools, district heating schemes and police stations and other community safety facilities. Charging authorities may not use the levy to fund affordable housing.

Local authorities must spend the levy on infrastructure needed to support the development of their area, and they are able to decide what infrastructure is needed. The levy is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development.

The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development.

Up to 5% of the total CIL income received by Mid Suffolk District Council (MSDC) will be spent on the cost of administering CIL and the remainder will be spent on infrastructure anywhere within the districts or outside the districts if to do so would support development within the districts.

2. CIL Framework Updates

In April 2020, MSDC announced some important changes to the CIL Expenditure Framework and the CIL Expenditure Communication Strategy and produced a statement on the position on Community Infrastructure Levy Income and Expenditure (CIL) April 2020 – Corona virus:

“The Corona virus is presenting challenges which are being experienced in the delivery of housing on large and small sites by the Districts housebuilders. Part of this house building process involves the collection and expenditure of Community Infrastructure Levy (CIL) towards the delivery of infrastructure. Whilst Babergh and Mid Suffolk wish to support our housebuilders it is important to recognise that housing growth affects communities. As such a balance must be struck between providing assistance towards housing delivery whilst at the same time needing to safeguard our communities by ensuring that CIL monies are both collected and spent to deliver necessary infrastructure. On this basis the following position has been taken across both Districts regarding the collection and expenditure of CIL which will apply until the 30th June 2020 whereupon this position will be reviewed.”

CIL COLLECTION - All other legislative provisions relating to the collection of CIL remain in force and must be complied with.

| Activity | Action by the Councils |
|--|--|
| Where development has been commenced and a payment plan is in place | These will be reviewed and revised deferred payments will be offered which provide a 3 month deferment |
| Payment plans for development not yet started | These will be set up so that the first payment contains a 3-month deferment |
| All development where a Liability Notice has been issued/Demand Notice has been issued and where development has started | Suspension of Late Payment Interest from the 1/4/2020 to 30/06/2020 on all unpaid CIL Liability Notices/Demand Notices |

CIL EXPENDITURE

| Activity | Action by the Councils |
|---|---|
| Bid round no 5 opens 1 st May 2020 until 31 st May 2020 | Normal process applies |
| Determination of CIL Bids for bid round 5 | Normal process applies – Decisions generally not before September 2020 |
| Assessment of all current undetermined Bids | Progress on current Bids and any new Bids submitted in May 2020 will continue |
| Changes to the CIL Expenditure Framework and the CIL Expenditure Framework Communication Strategy | Process of review informed by Joint Overview and Scrutiny and a Joint Member Panel was completed in March and the revisions were agreed and adopted by both Councils on the 20 th April 2020. This position will be communicated to all Parishes and Infrastructure providers in due course. Approved documents will be placed on the Web site shortly |
| Where offers of CIL monies made towards infrastructure projects | Normal process will continue with support being offered to those projects which are underway or which will start before the Bid offer expires |

NEIGHBOURHOOD CIL

| Activity | Action by the Councils |
|--|--|
| Payments of Neighbourhood CIL to all Parish Councils where CIL has been collected (up to the 31 st March 2020) to be made by the 28 th April 2020. | Normal process of making payments is well advanced and monies will be with all Parishes (where monies have been collected up to 31 st March 2020) by 28 th April |
| Payments of Neighbourhood CIL to all Parish meetings where CIL has been collected (up to the 31 st March 2020) | Normal process of identifying those Parish meetings where monies have been collected is well advanced. These monies will be safeguarded and collaborative work will occur with those Parishes to provide for the expenditure of these monies |

3. CIL CAP

Neighbourhood CIL is governed by the CIL Regulations and the rate at which it is paid is set out in national legislation. For those Parish Councils with a made Neighbourhood Plan it is 25% (with no CAP) and for Parishes where is no made Neighbourhood Plan it is 15% subject to a cap which is set out nationally (in legislation) - see below:-

The Cap -

* 25% of Neighbourhood CIL is paid where permissions are granted on or after the Neighbourhood Plan is made.

15% Neighbourhood CIL is paid where a Neighbourhood Plan is not made. There is a financial cap which relates to the total amount of the 15% Neighbourhood CIL receipts passed to a parish council. Any payment must not exceed an amount equal to £100 per council tax dwelling in that parish in each financial year.

This financial cap does not apply in Parishes where a Neighbourhood Plan is made.

4. CIL Resources available

CIL funding currently stands at:

| Financial Year | Income | Expenditure | CIL Running Total |
|----------------|------------|-------------|-------------------|
| 2016-2017 | £0 | £0 | £0 |
| 2017-2018 | £0 | £0 | £0 |
| 2018-2019 | £1629.69 | £0 | £1629.69 |
| 2019-2020 | £62516.95 | £850.00 | £63296.64 |
| 2020-2021 * | £105183.39 | ** 0.00 | £168480.03 |

*

*Thurston Parish Council – Dwelling number 1407 x £119.19 = £167,700.33 Cap amount allowed
Apr – Sept 19/20 payment contribution collected for Thurston = £62,516.96 (£62,516.96 paid to parish)
Oct – March 19/20 payment contribution collected for Thurston = £155,780.48 (£105,183.39 to be paid to parish) - CAP resulted in parish not receiving £50,597.09*

The Professional Lead – Key Sites and Infrastructure at MSDC has stated that MSDC holds CIL monies and under the CIL Expenditure Framework, any under payment to the parish (due to the CAP) is then split between the 80% Local Infrastructure Fund and 20% Strategic Infrastructure Fund. If the payments relate to 10 dwellings and above, then the 80% is ringfenced in the Ringfenced Fund for spend within that Parish. In the respect of Thurston Parish it is confirmed that 80% of the funds which could not be paid to the Parish because of the CAP have been ringfenced for spend within the parish on CIL Bids which the District receives and determines.

Resources available as at 31st May 2020 in the CIL Reserve account is £168,480.03.

Committed expenditure for 2020-2021 as at 31st May 2020 is circa £35,000

5. ** Projects identified in the Parish Infrastructure and Investment Plan (PIIP)

The following projects having been identified within the PIIP, are at commitment stage.

| Project | Budget | Predicted Cost | Sources of Funding | Start Date | Current Position |
|----------------------------|----------------|----------------|--------------------|------------------------------------|--|
| Cavendish Car Park Project | None allocated | £21,243.00 | CIL - £21,243 | Ongoing discussions with Cavendish | Remedial work on a regular basis has proved in effective. This |

| | | | | | |
|---|----------------|--------------------|-------------------------------------|---|---|
| | | | | Hall Cttee & Preferred Contractor re extent of coverage | is a high use area. |
| Bus Shelters – 2 x Sandpit Lane 2 x Norton Road | None allocated | £27,700 to £32,700 | MSDC CIL - £22,400 SCC - Balance | 1 x Norton Road – October 19 | Awaiting update – COVID 19. <i>Note 1 x Sandpit Lane required?</i> |

6. Projects submitted as a bid against the Neighbourhood CIL Pot held by the Parish Council

| Project | Budget | Predicted Cost | Sources of Funding | Start Date | Current Position |
|--|----------------|----------------|---|---------------|--|
| New Green Centre – upgrade of CCTV | None allocated | £4,500.00 | MSDC Locality Award - £3,650 CIL - £850 | November 2019 | Work completed |
| Thurston Library - high quality library environment for children | None allocated | £13,941.47 | MSDC Locality Award - £3,385 Friends of Thurston Library – £5,556.47 CIL - £5,000 | October 2019 | Work completed and request for funds to be expended from CIL approved – March 2020 |

7. The following projects were identified within the PIIP and will provide the basis for infrastructure spending as developments come online.

| Project | Budget | Predicted Cost | Sources of Funding | Additional consultation | Further information |
|--|--------|----------------|--------------------|-------------------------|---------------------|
| Multi Use Games Area | | | | | |
| Community Football Pitch | | | | | |
| Recreational area for wheeled sports | | | | | |
| Provision of a Dog Park | | | | | |
| Recycling Facilities | | | | | |
| Electric Vehicle Charging Points | | | | | |
| Footpath leading to Church | | | | | |
| New Grit Bins | | | | | |
| New Waste Bins | | | | | |
| Pelican Crossing point on Barton Road | | | | | |
| Upgrade of shared use crossing on Sandpit Lane | | | | | |