

The cap for non neighbourhood planning areas explained



Listening Learning Leading

The council (district) will be required to pass 15% of CIL receipts to relevant parish and town councils arising from developments in their areas. This would rise to 25% in areas with an adopted Neighbourhood Development Plan.

The payments to areas without a Neighbourhood Development Plan in place will be capped to £100 per existing council tax dwelling per year. This means that a parish with 500 existing dwellings cannot receive over £50,000 of CIL receipts per year (500x£100).

An illustrated example

A Parish Council has 500 existing households. At an annual CIL cap of £100 per household, the Levy maximum therefore would be £50,000 (500x£100).

The district council's Levy rate for residential development is £150 per square metre (sqm).

A development is providing 40 CIL liable homes (each at 80 per sqm). This raises £480,000 of Community Infrastructure Levy receipts (40x80x£150) in the parish. The 15% element of the neighbourhood pot is £72,000. The council (district) will pass the majority of the neighbourhood pot, £50,000 as capped, to the parish council to spend on local infrastructure priorities, whilst the remaining £22,000 would be retained by the council as general Levy funds to spend on infrastructure.