

Spending the levy

What can the Community Infrastructure Levy be spent on?

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, open spaces, parks and green spaces, cultural and sports facilities, healthcare facilities, academies and free schools, district heating schemes and police stations and other community safety facilities. This flexibility gives local areas the opportunity to choose what infrastructure they need to deliver their relevant plan (the Development Plan and the London Plan in London). 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 will decide what infrastructure is needed.

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.

In London, the regulations restrict spending by the Mayor to funding roads or other transport facilities, including Crossrail, to ensure a balance between the spending priorities of the London boroughs and the Mayor.

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Should charging authorities pass any of the CIL receipts it receives to parish councils?

Where all or part of a chargeable development is within the area of a parish council, the charging authority must pass a proportion of the CIL receipts from the development to the parish council as explained below (see also [regulation 59A](#)). The parish council must use the CIL receipts passed to it to support the development of the parish council's area by funding the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on the area.

Where this development is also within an area that has a neighbourhood development plan in place, or the development was granted planning permission by a neighbourhood development order (including a community right to build order), the charging authority must pass 25% of the relevant CIL receipts to the parish council for that area (see [regulation 59A\(3\)](#)). This amount will not be subject to an annual limit. For this to apply, the neighbourhood plan must have been made (see section 61E of the Town and

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Country Planning Act 1990 as applied to neighbourhood plans by section 38C of the Planning and Compulsory Purchase Act 2004) before a relevant planning permission first permits development (as defined by [regulation 8](#), as amended by the [2011 Regulations](#) and the [2014 Regulations](#)). Charging authorities can choose to pass on more than 25% of the levy, although the wider spending powers that apply to the neighbourhood funding element of the levy will not apply to any additional funds passed to the parish. These additional funds can only be spent on infrastructure, as defined in the Planning Act 2008 for the purposes of the levy.

Where all or part of a chargeable development is within the area of a parish council but there is neither a neighbourhood development plan nor a neighbourhood development order, up to 15% of the relevant receipts, capped according to the formula in [regulation 59A](#) (as amended by the [2019 Regulations](#)), must be passed to the parish councils in which the development took place. Areas could use some of the neighbourhood pot to develop a [neighbourhood plan](#) where it would support development by addressing the demands that development places on the area.

Figure: relationship between the levy and neighbourhood plans in England

Parish council	Neighbourhood plan	Levy
✓	✓	25% uncapped, paid to parish each year
✓	X	15% capped at £100/dwelling (indexed for inflation), paid to parish each year
X	✓	25% uncapped, local authority consults with community about how funds can be used, including to support priorities set out in neighbourhood plans
X	X	15% capped at £100/dwelling (indexed for inflation), local authority consults with community to agree how best to spend the neighbourhood funding