District Councils' Network

The one voice of district councils in the LGA

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Community Infrastructure Levy Review Panel:

Response from the District Councils' Network

The Government announced in November 2015 that an independent group would conduct a review of the Community Infrastructure Levy (CIL) which has been in place since April 2010.

The group will assess the extent to which CIL provides an effective mechanism for funding infrastructure, and to recommend changes that would improve its operation in support of the Government's wider housing and growth objectives.

The District Councils' Network (DCN) is a cross-party member led network of 200 district councils. We are a Special Interest Group of the Local Government Association (LGA), and provide a single voice for district councils within the LGA.

We welcome the opportunity to respond to this consultation and make this submission on behalf of our member authorities. We set out below the District Councils' Network response to the CIL review's request for written submissions to inform their work.

The views we wish to express are:

- We are supportive of CIL in principle as a quicker, fairer and more efficient way of delivering infrastructure to support development, but we are concerned that in many places it is not working
- CIL makes up a relatively small proportion of the infrastructure funding gap and was intended to share out the funding of infrastructure from cumulative developments. However due to the number of proposed or introduced exemptions and reliefs the funding of infrastructure is not spread out across all development and the potential loss of CIL income is significant with exemptions such as Self-build
- A good number of councils now have CIL in place, but with time lags between planning permission and sites starting on the ground, and with instalments policies it does take time for CIL funding to build up in order to start delivering significant infrastructure. A level of expertise and experience

needs to be built and constant changes and reviews may be unhelpful if the system is not given time to bed in.

- For **communities** to accept new development there must be a clear and visible link between the new development and the resulting infrastructure. The introduction of the CIL, unless carefully managed, can break the direct link between an individual development, and the infrastructure it funds in order to provide pooled funds for the strategic infrastructure requirements as a cumulative result of development
- New development will become more acceptable when communities can directly see the benefit of new development and can be confident that new homes will come with the infrastructure required to support them.
- The relationship with neighbourhood plans is not improving acceptance of development and neighbourhood plans are too often seen as mechanisms to restrict rather than encourage local development

- For **developers** to provide the homes to meet the Governments housing and growth objectives the contribution toward the cost of related infrastructure must be viable
- The CIL will be an additional cost on some development sites, and that some sites may not be able to bear the costs of all the requirements a planning authority makes such as delivering affordable homes and higher environmental standards, especially when the land purchase precedes CIL.
- However a lack of viability should not be a reason to not develop a CIL for housing. The CIL should be taken account of in land purchase and this is more likely to take place if CIL is recognised as a long term initiative that is here to stay. There may need to be a period of adjustment in the price of land following the introduction of CIL.
- There is evidence that where a CIL regime is adopted as viable many local authorities report a rush of planning applications to get in before the CIL cut off, and then a drop in residential applications since adopting CIL
- Some local authorities are concerned about their role in formulating and administering a perceived tax on development which may contribute to a drop off of planning applications
- This is particularly concerning for the smaller developments which may be seen as not viable

- For **local planning authorities** any CIL receipts collected must make a contribution to the cost of infrastructure that is commensurate with the resources required to develop and implement the CIL. For example a standardised methodology for establishing viability would streamline the development of CIL and the exemption process for householders and self-builders is very admin heavy and could simplify implementation.

- It is critical that the process is looked at as a whole and tied in closely to the preparation of local plans to ensure emphasis is placed on delivery of necessary infrastructure, rather than just revenue collection.
- There is often a disconnect between the preparation of local plans and the formulation of CIL charging schedules and this leads to concerns over the capacity for local authorities to regularly review CIL charging regimes to respond to reviews of local plans and changes in market conditions over the economic cycle.
- Once in place the CIL appears to be quicker and more transparent than the individually negotiated S106 regime, but the process can be too long and complicated to introduce.
- The semi judicial nature of the Examination process offers further opportunity for legal challenge and delays.

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Further information:

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