

Community Infrastructure Levy Tool Review

Regulatory Tools

TABLES Project 2012: Mini reviews	
Guidance	<i>Using your experience and expertise, consider the following tasks in relation to the tool. It may not be possible to complete all tasks for each tool due to a lack of available information, the task not applying to the tool, etc. Please note where this is the case by writing in the reason in the space provided. Please use a maximum of 6 pages of A4 (excluding diagrams and appendices). Your responses are required in the white spaces.</i>
Task 1: Basic information	
Name of the tool	Community Infrastructure Levy (CIL)
Type of tool (list all that apply)	Regulatory, collaborative, decision, financial, valuation.
Group members	1. Michael Brereton
	2. Alister Scott
	3.
	4.
	5.

Please provide a brief synopsis of the tool

The Community Infrastructure Levy (CIL) came into force under the Community Infrastructure Levy Regulations 2010 and is an optional mechanism to allow authorities (Charging Authorities) to charge most forms of new development to obtain funds towards infrastructure. The Planning Act 2008 defines ‘infrastructure’ as schools and other educational facilities, medical facilities, roads and other transport facilities, sporting and recreational facilities, flood defences and open spaces and the National Planning Policy Framework (NPPF) goes further to include water supply, wastewater, coastal change management, security, community and cultural infrastructure and other local facilities, telecommunications, waste management and the provision of minerals and energy. The expansion of areas defined by the NPPF as ‘infrastructure’ indicates that there is potential to seek funds towards wider environmental infrastructure that fall within ecosystem services, for example water supply and minerals. This wider inclusion of environmental infrastructure supports the government’s view that the provision of infrastructure and services for new development is an essential principle of sustainable development and continued provision of water supply is a good example of an ecosystem service that is key to sustainable development.

Once an authority has adopted a CIL Charging Schedule, CIL funds that are collected can be used for any project or infrastructure type on an authority’s published list (as per Regulation 123 of the CIL Regulations). This provides authorities with flexibility in applying CIL funds towards local infrastructure that the authority deems necessary.

However, there are currently only 6 authorities in England with adopted CIL Charging Schedules and a further 15 out of 24 authorities with draft charging schedules have had to reduce initial proposed CIL rates. Recent research that I have undertaken also indicates that CIL will be set at a low rate to begin with and will not be able to fund all forms of infrastructure, particularly in former industrial areas such as the West Midlands due to lower land values and higher than normal remediation costs due to land contamination that affect the viability of development in these areas. Whilst CIL will continue to provide funds towards open space, a form of recreation (Cultural Services category of ecosystem services), competing infrastructure types in areas with low CIL rates is likely to mean there is little scope to collect CIL income towards other ecosystem services.

Task 2: Use of the tool

Position / Use	Stage	Currently used	Could be used
	Ideas	Y On working up a CIL Charging Schedule authorities will establish potential infrastructure that will be funded by CIL income.	Y Ecosystems services could be included as types of infrastructure towards which funds are collected, but this is likely to be in areas like the South of England with the ability to collect higher CIL rates.
	Survey	Y Public and stakeholder engagement takes place to ensure CIL rates are set at a level so not to affect viability or deliverability of	Y Engagement could include organisations involved in ecosystem services.

		developments.		Please add any further comments here: It may be appropriate in some cases to seek protection of ecosystem services that could be impacted by new development through the use of Planning Obligations (Section 106) or through related development agreements such as Section
Assess	Y and N	It is for authorities to decide what forms of infrastructure are funded by CIL, but rates proposed in a CIL Charging Schedule have to go through an independent examination.	Y Where evidence can be provided and where it is appropriate to seek funds towards ecosystem services, this could be assessed by a charging authority and considered for inclusion with a CIL Charging Schedule.	
Policy / decision	Y	Adopted CIL Charging schedules form part of the decision making process for development proposals.		
Implement	Y	CIL rates are normally payable upon issuing of decision notice. There is no mechanism to return received CIL income and no end date for expenditure.		
Evaluate	Y	Authorities are likely to need to review CIL Charges fairly regularly to ensure that they reflect any changes in land values and economic circumstances. However, changes to CIL Charging Schedules can only currently be done through further independent examinations.	N In my view, CIL needs to provide some level of flexibility to react quickly to changes in the market. For example, any increase in land values or developers profit margins should be reflected in higher CIL rates which could then provide funds towards a wider range of infrastructure such as ecosystems services where necessary.	

278 (Highways Act) rather than seeking funds through CIL.

Task 3: Existing literature about the tool

Are you aware of any KEY policy and / or academic literature	Author & Date	Title Vol pages	Web link (if available)
	UK Parliament	The Community Infrastructure Levy	http://www.legislation.gov.uk/ukdsi/2010/9780111492390/content s

Please add any further comments here:

evaluating your tool? <i>(e.g. reports, journal articles, books)</i>		Regulations 2010	
	Heather Campbell, Hugh Ellis, John Henneberr y (2002)	Planning obligations, planning practice, and land-use outcomes. Environment and Planning B: Planning and Design 2000, volume 27, pages 759 – 775.	
	Lord, Alex (2009)	'The Community Infrastructure Levy: An Information Economics Approach to Understanding Infrastructure Provision under England's Reformed Spatial Planning System', Planning Theory & Practice, 10: 3, 333 – 349.	

Task 4: Your experience of working on the tool		
Have you done any research/consultancy work on this tool in terms of its development, testing and/or evaluation?	The use of CIL in the English planning system was the focus of my research paper for MA Spatial Planning. I am also responsible for CIL in my own authority. This research used a mixed methods approach to provide a rounded conclusion. The research found that some areas of England will benefit from a higher income from CIL such as the South East of England, in contrast to other areas such as Walsall and Dudley in the West Midlands. Income from CIL is unlikely to bridge the gap in funding. A downturn in the economy directly affects viability of residential development and the level of contributions that can be sought and CIL is not currently flexible enough to take account of market changes.	
Guidance	For Tasks 5-7, please also try to consider the future development and application of this tool in the TABLES project in your answers.	
Task 5: Incorporating the ecosystem approach (EA) and ecosystem services (ES)		
Using examples (from practice, research or consultancy), explain how EA and/or ES are currently incorporated in/by the tool	It is difficult to provide examples at such an early stage, with only 5 authorities with adopted CIL Charging Schedules. However, in my opinion it is unlikely that CIL will be a widely used tool to collect funds towards most ecosystem services because other existing competing infrastructure types such as education facilities, highways, open space (and potentially affordable housing) will be funded through CIL, leaving little or no spare income for other infrastructure types. This may improve though in areas like the South East of England with the ability to charge higher CIL rates.	
How <u>could</u> the ecosystem approach and/or ecosystem services be (further) incorporated within the existing tool?	If infrastructure of national importance such as affordable housing and education facilities were funded by the State this would mean authorities could collect CIL rates towards the local infrastructure that is needed, which could include ecosystem services. There is a significant opportunity if people have a better appreciation of the ecosystem services delivered by certain environmental assets. Equally the planning officers are largely developing schemes in complete ignorance of the Ecosystem Approach which represents a significant knowledge exchange gap.	
Task 6: Situating the tool within priority questions/criteria arising from the scoping interviews		
Explain how the tool can be situated within the priority questions/criteria that arose in the scoping interviews	Priority question/criteria	Does your tool address/implement this question/criteria? Or does it have the potential if it was better integrated with an EA/ES approach? <i>Please explain how.</i>
	Language and communication	
	1. Contribution to aiding the development of shared vocabulary within which principles of EA and ES can be shared with multiple stakeholders across built and/or natural environment	Where ecosystem services are considered for inclusion in CIL Charging Schedules, evidence would need to be provided to and assessed by the charging authority. This would provide an opportunity to engage with stakeholders and therefore could help to share principles of EA and ES with the multiple stakeholders that would be involved in CIL.
2. Capacity of the tool to develop shared understandings of the	CIL could help to provide a better understanding of the many aspects of infrastructure that make up an	

many identities and values of places from the perspectives of multiple visitors, residents and businesses	area and how each infrastructure type can add value to an area.
3. Capacity of the tool to improve or enable engagement across different publics so avoiding the usual suspect problem	Engagement on draft CIL charging schedules is likely to involve a wide range of stakeholders, but given its technical nature it may be difficult to increase participation from other publics.
Learning from experience/pedagogy	
4. Capacity of the tool to help reveal and value 'hidden' assets that are not recognised by communities or publics that use them	Income from CIL will be used to improve certain types of infrastructure and this could fund infrastructure that encourages more sustainable methods of transport that could lead to greater use of cycle paths or canals thereby highlighting their value to the communities and publics that use them.
5. Extent to which tool is building on other tools or EA/ES progress	CIL will largely replace the function of Planning Obligations (Section 106) that has sometimes been used to seek on-going maintenance of important natural features and habitats.
6. Extent to which tool is locally derived or grounded or can be adjusted to closely reflect 'local' context. Is the tool suitable for an open source approach?	CIL is intended to provide authorities with the power to determine locally required infrastructure.
7. Extent to which the tool is open to interpretation and application in a variety of forms (that reflect 'cultural' differences)	Once CIL rates have been clearly set out these are unlikely to be open to interpretation. However, authorities can put any infrastructure type or project on their published list so this could potentially lead to issues of being open to interpretation but it is too early to say at this time.
Developing and selecting tools	
8. Is the tool dependent on a specific funding source? How onerous is the application procedure? What are the chances of success?	The tool is a direct funding source itself. Any authority choosing to develop a CIL charging schedule must undertake an extensive study of infrastructure needs and viability and go through an independent examination. This will place high financial and resource requirements on authorities at a time when they are having to make major cuts. Wolverhampton City Council has already decided to delay CIL and re-consider in 2013 due to the high set up costs involved.
9. Does skills development (essential or optional?) and support exist for the tool or is there a body to ensure the optimal and correct use of it?	There are a number of 'frontrunners' that have been leading on implementing CIL for their authorities. The shared experiences of these authorities will shape the way in which other authorities approach CIL.
10. Extent to which current statutory hooks can be exploited by the tool or will	The CIL Regulations provide a statutory basis for implementing CIL (where authorities choose to implement). The NPPF repeats the statutory tests in

benefit the quality or application of the tool (e.g. NNPF's duty to cooperate, SUDS, ecol. networks)	the CIL Regulations (under Regulation 122) that authorities must adhere to when seeking contributions through Planning Obligations.
Informing resultant policies effectively	
11. Extent to which the tool informs or improves policies/decisions. What does the tool cover? (full range of positive and negative economic, social and environment impacts / tradeoffs?)	CIL could provide social benefits such as provision of new or improved community facilities (and potentially affordable housing) and improvements or provision of new areas of open space. Clear CIL rates might actually lower land values and increase land supply, but environmental impacts are more likely to continue to be dealt with via Planning Obligations given the nature of CIL to purely collect funds.
12. How does the tool link into the planning system (applications and processes). At what cost / extra burden?	Planning Obligations are already a material consideration in the planning decision making process. Where CIL is adopted, this would also form part of the decision making process and CIL rates would normally be paid upon issuing of a decision whereas contributions through Planning Obligations have historically been known to be more flexible and phased throughout developments to aid the delivery and viability of development schemes.
Delivering management objectives	
13. Suitability or capacity of the tool to assist with managing visitor needs and pressures within protected areas / the considered area? How?	This would be more appropriate through Planning Obligations as CIL is purely a funding mechanism.
Local ownership/new governance	
14. To what extent can the tool assist in developing statutory plans (local and management plans) and improve ownership and use by publics?	CIL income could play a vital role in assisting the delivery of targets and aspirations within local plans such as provision of infrastructure needs identified within adopted core strategies.
15. To what extent does/could the tool contribute to a new form of community governance in management of the environment?	A proportion of CIL is likely to be required to be made to the local community (government intends to clarify on October 2012). This could potentially be used towards community owned or community run environmental schemes.
Improved tools: understanding flows, interconnections and spatial issues	
16. Capacity to improve spatial understandings of the flows and interactions of various ecosystem services between sectors and at different scales	Engagement with a wide range of stakeholders on CIL could help to improve understanding of ecosystem services across multiple stakeholders and publics.
17. Capacity of the tool to reconcile assessments of options and benefits across different scales	Many forms of infrastructure will be assessed for inclusion within CIL Charging Schedules as determined

	(and sectors)	by each charging authority. This will inevitably mean that competing infrastructure types will need to be assessed and reconciled across different scales and sectors.
	18. Extent to which the tools is capable or can be manipulated to work across sectoral and administrative boundaries	CIL income can be given to organisations outside of the charging area where it would benefit the area i.e. given to the environment agency or can be pooled with other charging authorities to fund sub-regional infrastructure.
	19. Extent to which the tool can handle data shortages and gaps (or is effectiveness considerably compromised?)	Any gaps in an evidence base are likely to put a CIL Charging Schedule at risk of being found to be unsound at an independent examination.
	20. To what extent has/could the tool put landscape/nature conservation and designated species/sites on the radar (positively or resulting in resentment?)	It is probably more appropriate that this is dealt with via Planning Obligations, as CIL is purely a funding mechanism.
<i>Please add any further comments here:</i>		

Task 7: A SWOT analysis of the tool

Referring back to the relevant policy and academic literature (listed in Task 3), plus your own expertise (listed in Task 4) and the way in which the tool is situated within the priority questions/criteria (listed in Task 6), please complete a summary SWOT analysis ensuring that each point is well justified	Strengths <i>(of the tool in delivering intended outcomes)</i> CIL is likely to provide a greater level of funds towards some forms of infrastructure such as open space, education and highways.
	Weaknesses <i>(factors that detract from the tool's ability to deliver intended outcomes)</i> It is not flexible enough to take account of varying issues of viability in some charging areas such as the West Midlands and will not react quickly to changes in the market.
	Opportunities <i>(consider opportunities for application of the ecosystem approach and services)</i> If major infrastructure such as affordable housing and education facilities were to be funded by the State this would free up CIL income to be used towards other, more local forms of infrastructure and this could include ecosystem services.

Threats (*factors which negatively affect the tool and its outcomes*)

Threat	Seriousness (high, medium, low)	Probability of occurrence (high, medium, low)
CIL income will be lower in areas that are likely to need the income most such as former industrial towns and cities like the West Midlands. Rigid CIL Charging Schedules could deter investment in these areas where flexibility is key.	High	High
CIL is a direct funding source and cannot deal with on-site issues such as environmental matters. Planning Obligations will therefore need to run alongside CIL imposing more costs and potential delays to developers and could lead to matters outside of CIL being negotiated down to take account of CIL rates.	High	High

Please add further comments here:

Guidance

Please now use the remainder of the document (box below) to make any general comments, observations or analyses of the tool

Further comments

None.