



# The Future of CIL

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Quod

# The Theory

- Barker Review (2004)
- New homes need infrastructure
  - Specifically to support development
  - To take pressure of services and win support
- S106 is inconsistent, lacks transparency and is time consuming and costly
- Planning Gain Supplement – national tax on value uplift given by planning consent

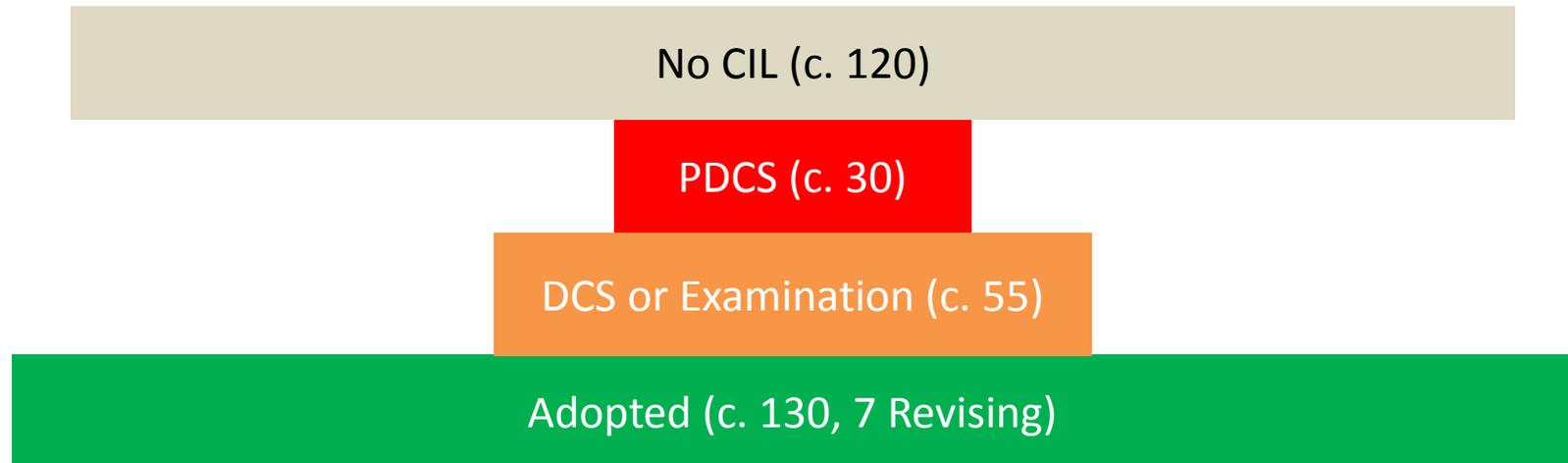
In general, imposing a tax on an activity discourages its supply – but given the interaction of land supply with the planning system this effect could be expected to be small, provided that tax rate is not set at too high a level. ***More importantly, the proposed tax is part of a package of policies set out in this Review, which, taken together, aim to increase the supply of land and planning permissions.***” (Barker, 2004)

# CIL

- 2008 Planning Act
- CIL – Hybrid “betterment tax” and “infrastructure charge”
- Locally set and collected hypothecated tax for infrastructure “to support the development of the area” set at consent, paid on commencement;
- “simpler, fairer, faster and more certain”



# Take Up



# CIL Review

- Promised in 2010
- Terms of Reference:

*“To assess the extent to which CIL does or can provide 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”*

# Membership

- Liz Peace (Chair)
- Andrew Whitaker (Home Builders Federation)
- Gilian MacInnes (Planning Advisory Service)
- Tom Dobson (Quod Planning),
- Steve Dennington (LB Croydon)
- Michael Gallimore (Hogan Lovells)
- Councillor John Fuller, Leader of South Norfolk District Council

# Programme

- CLG Commissioned Research
- Questionnaire
- Oral Evidence Sessions

# Questionnaire Topics

- Infrastructure planning & delivery
- Viability
- Charge setting
- Regulations & Guidance
- Neighbourhood Issues
- Overall System

# CIL Implementation

- Slow build up – relatively few ‘mature’ CIL areas
- Early drop followed by 2 to 3 year build up
- Only ever intended to produce a contribution to infrastructure costs
- CIL yielding between 5 - 20% of funding required
- Viability testing means only residential and retail development attracting significant CIL charge (other developments generally low or zero rate)
- Mayoral CIL has worked well – single flat rate
- CIL has produced certainty in terms of rates/transparency
- CIL working best for charging authorities where it has "bedded down"
- Regulations long and complex & many unintended consequences

# Section 106 & Large Sites

- Regulation 122 – Tests
- Regulation 123 – List and Pooling Restrictions
- Large & or Strategic Sites
  - Costs and On-site infrastructure
  - Complexity of CIL Regulations for Phased Development
  - Ability to control delivery of infrastructure

# But What About the Infrastructure?

- CIL is **not** an infrastructure delivery mechanism
- Formal link to infrastructure planning and delivery stops at Examination
- Wider devolution and localism agenda
- Desire and capacity to deliver?
- Timing of payment and delivery
- Moving from 'infrastructure list' to 'infrastructure plan' to 'infrastructure delivery'
- Some good examples identified as part of review