



## **IHBC GUIDANCE NOTES**

### **Community Infrastructure Levy and Historic Buildings**

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*This is one of a series of occasional IHBC Guidance Notes published by the Institute of Historic Building Conservation (IHBC). IHBC Guidance Notes offer advice on topics that we consider crucial to the promotion of good built and historic environment conservation policy and practice.*

*The IHBC welcomes feedback, comment and updates on our Guidance Notes to our consultant editor Bob Kindred, at [research@ihbc.org.uk](mailto:research@ihbc.org.uk)*

#### **Executive Summary**

1. This Guidance Note looks at some examples of current practice regarding the use of (or exemption from) the Community Infrastructure Levy (CIL) with regard to heritage assets. Additional examples of current practice would be appreciated for incorporation into a future update. [\[1\]](#)

2. The Institute considers it good practice that local authority heritage management professional be involved throughout the preparation and implementation of a draft Charging Schedule as they are often best placed to advise on local historic environment issues. Where a Schedule is already in place but has failed to take account of the investment potential of heritage assets, heritage professional should be involved at the stage of periodic review.

3. The use and effectiveness of CIL by local planning authorities has been mixed and members may be aware that the Department of Communities and Local Government CIL Review Group carried out an evaluation of the future for CIL in the early part of 2016, the conclusions and revised guidance of which are still awaited.

4. CIL is not as an effective stimulus for regeneration and the reuse of

vacant historic buildings (and their immediate setting) as it has the potential to be, and so it is in relation to conservation and management of heritage assets that current practice regarding CIL within local authorities could be better understood and operated. [2]

5. The Institute's view at the time of the DCLG consultation was confined to one key point, that CIL as a betterment tax, raises considerable funds via local planning authorities (and parish councils, where a neighbourhood plan is in place) in areas of high growth but contributes to inflationary pressures on land; whereas CIL raises little or nothing in areas of the country where the land economy is weak and in recognition of this a zero rate has sometimes to be adopted.

### **CIL and the repair of historic buildings**

6. Given that there is a wide definition of the infrastructure funding that CIL can cover and that is considered necessary to support the development of an area, CIL revenue can in principle be directed towards:

- Open space (generally taken to mean parks and green spaces but potentially to include wider public realm improvements), possibly linked to, for example, Heritage Lottery Funded schemes; enhancement proposals stemming from Conservation Area Management Plans, and green infrastructure;
- 'In kind' payments, including land transfers that could involve disposal of 'at risk' historic buildings to new repairing owners;
- Repairs and improvements to, and the maintenance of heritage assets where they are infrastructure items as defined by the Planning Act 2008, such as cultural or recreational facilities. [3]

7. Historic buildings may offer opportunities for business or employment use and it might be considered appropriate to use infrastructure investment to support associated economic development. However, the implications for the viability and effective conservation of heritage assets in such development proposals and the rate of CIL levy required has to be weighed carefully against the overall viability of a scheme to ensure that the quantum of development does not harm the heritage asset, its setting or significance.

8. Proponents of the levy should also be mindful of the opportunities for schemes to secure the long-term viability of heritage assets or the wider historic environment (either through the re-use of a specific heritage asset or through an appropriate level of enabling development).

9. Where there are concentrations of heritage assets at risk, CIL should not be set at levels that would discourage schemes of re-use or choke-off associated heritage-led regeneration. Local authorities may need to weigh this in the balance and consider lowering the rates charged where there is quantifiable, measurable evidence that this will stimulate development activity for its wider social, environmental and economic benefits.

10. Investment in heritage assets, particularly listed buildings at risk, and/or improving or rectifying other aspects of the physical character of the wider historic environment such as conservation areas at risk, can help retain existing economic activity. It can also stimulate and support new activity such as tourism visits and spending. The enhanced attractiveness of a place can also retain and encourage new economic development. This may be particularly vital in supporting the viability of historic town centres.

11. Heritage professionals should be mindful that the evidence base prepared for a Local Plan (or during review if the CIL issue has not previously been considered) has the potential to be used to demonstrate specific opportunities for the levy not only in helping deliver growth but also to meet the Plan's objectives for the historic environment.

12. The Institute would be interested in receiving any further information from authorities where CIL charging schedules have been specifically directed towards addressing the repair, regeneration or enhancement of heritage assets.

### **Exemptions from CIL Discretionary Relief for Exceptional Circumstances**

13. The CIL Regulations emphasise the need to strike an appropriate balance between the opportunities to use the levy to fund infrastructure and the potential negatives stemming from the decreased economic viability of development. This is obviously important where the objective of securing the reuse and long-term viability of a heritage asset would be compromised by the requirement to make a CIL payment.

14. Vacant or underused heritage assets not only fail to make a full contribution to the local economy but they may also give rise to negative perceptions about an area, encourage crime and anti-social behavior, deter inward investment or visitor numbers (where for example the physical appearance of a conservation area is defined as 'at risk'). This may cumulatively frustrate the achievement of economic objectives. In setting CIL thresholds the potential impact on the investment in, and regeneration

of, historic buildings or the associated setting need to be highlighted especially where those heritage assets have been identified as being 'at risk'. This aspect needs to be clearly understood. Local authorities should therefore consider whether they should exercise the right to apply discretionary relief in exceptional circumstances where development affecting heritage assets (and their settings or their significance), may become unviable if the levy is applied. [4]

15. Paragraph 126 of the NPPF requires that local authorities set out in their Local Plan, a positive strategy for the conservation and enjoyment of the historic environment, including heritage assets most at risk through neglect, decay or other threats. Seen in the light of CIL, the authority should ensure that the conservation of the heritage assets within its areas is taken into account when considering the level of charging to be imposed so as to safeguard and encourage appropriate and viable uses for these heritage assets.

16. The *CIL Relief Information Document* recommends that the relevant conditions and procedures are set out in a separate statement, defining exceptional circumstances and setting a clear rationale for CIL relief, its use and the justification in terms of the public benefit. Such examples of CIL relief might be directed towards the repair and renovation of heritage assets as identified on Historic England's or the local authority's 'Heritage at Risk Register'. In the interests of clarity, the statement could also set out the necessary requirements and procedures to be followed, including the need for appropriate notification and consultation.

17. The Institute would be interested in receiving any further information from authorities where discretionary relief has been applied to heritage assets in these circumstances for inclusion in a further update to this guidance note.

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## **Endnotes**

[1] The Community Infrastructure Levy is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. Development may be liable for a charge under the Community Infrastructure Levy (CIL), if your local planning authority has chosen to set a charge in its area.

[2] The role of development-specific planning obligations and other funding streams for the implementation of policies within Local Development Frameworks aimed at the conservation and enhancement of heritage assets and their setting and the historic environment more generally should not be overlooked as they continue to offer further opportunities for funding improvements to and the mitigation of adverse impacts on the historic environment, such as archaeological investigations, access and interpretation, and repair schemes.

[3] The Localism Act 2011 also allows CIL to be used for maintenance and ongoing costs, which may be relevant for a range of heritage assets, for example, transport infrastructure such as historic bridges or green and social infrastructure such as parks and gardens.

[4] Some developments may be eligible for relief or exemption from the Community Infrastructure Levy. Please note that strict requirements apply with regard to the timing of the exemption process and you should refer to the guidance highlighted below for details. In most cases a Commencement Notice (form 6) must also be served prior to the commencement of development, in order for the exemption to apply.